and Hong Kong

WEATHER DATA APPEAR ON PAGE 22

No. 30,885

agree to do com

nese, enchance in it.

for commercials

pecially the West-E

particularly potential

iznited space and mez

RECOLUTE CHICAL STATES OF THE SECONDARY OF THE SECONDARY

COMMERCIAL ES

REALER TO REALER

FREXUE

OFFICE OF STREET

ices

PARIS, TUESDAY, JUNE 8, 1982

From Agency Dispatches
TEL AVIV — Israeli forces in

outhern Lebanon captured the

Palestinian stronghold of Tyre on

Monday, the military command said. It also said the Israelis had

captured the town of Nabatiye and

were surrounding Sidon. Israel also reported Monday

night that its planes had shot down a Syrian MiG-23 in a doglight over Beirut. An army spokesman said Syrian fighters had tried to inter-

vene during an Israeli air raid on Palestinian targets near Beirut and

In addition to the capture of Tyre, a port and Palestinian mili-

tury center on the Mediterranean 12 miles (19 kilometers) north of the border, Israel also announced

Monday the taking of the key Pal-estinian stronghold of Beaufort

Castle, which is the guerrillas' main forward base in the rugged

interior, and the town of Hasbaya.

Israeli planes also bombed tar-

gets close to the Beirut headquar-

ters of Yasser Arafat, the Palestine

Liberation Organization chairman, on the second day of the offensive

Lebanese Report

In reporting the downing of the MiG, the Israeli spokesman re-

iterated that Israeli troops in Leba-

non would avoid conflict with Syr-

ian forces in southern Lebanon un-

less attacked. It was the first Israeli

confirmation that Syrian forces had gone into action on the Palestinian side.

The official Lebanese radio also

Hospital sources in Beirut said

reported the downing of the Syrian plane. It said the pilot was safe.

three waves of Israeli planes struck at the targets near the Palestinian

offices, injuring at least 60 persons

Reports from Damascus said the

yrians also fought artillery duels

with Israeli forces, but there was

no confirmation of this from Isra-

and causing heavy damage.

against Palestinian guerrillas.

that one had been downed.

Syrian MiG was lost.

personnel carriers.

The Syrians have reinforced their 30,000-man force in Lebanon

with an armored division since the

Israeli invasion began Sunday.

confirmed that an amphibious

landing had been made north of

Sidon, which is 27 miles south of the capital, and a military spokes-

n said infantry and paratroops landed with ranks and armored

The Israeli military command

sources in Damascus reported.

ESTABLISHED 1887

# Israelis Report Key Palestinian Bases Captured

A Lebanese police spokesman said five Syrian MiG fighters chal-

lenged the Israeli planes and one

of them was shot down. The spokesman said two Syrian pilots

bailed out and were taken to hos-

Beirut's main sports stadium, the

The following dispatch has been sub-jected to Israeli military censorship.

By David K. Shipler

New York Times Service
JERUSALEM — Israel's inva-

sion of Lebanon came on Sunday

as the culmination of months of

military and political calculation

in which Prime Minister Mena-

chem Begin repeatedly allowed the

troops to be massed and the saber

to be rattled, only to pull back at

Until Sunday the crucial factors

what seemed like the last moment.

favoring a major assault never

quite lined up, and the risks

seemed greater than the potential

decided to take the military gam-

ble and to pay the political costs that he and his advisers know ex-

ist. The crucial reason was the in-

tensive shelling of northern Israel by forces of the Palestine Liber-

ation Organization, which began

Friday afternoon after Israeli air

This time, however, Mr. Begin

The Israeli planes also hit

pitals with critical injuries.

taken Beaufort



Palestinian guerrillas ran for cover Monday as Israeli planes attacked several buildings around the Arab University and near the offices of the Palestine Liberation Organization in Beirut.

# British Outflank Argentines, Seek Surrender, Report Says

LONDON - British troops outflanked the Argentine garrison by capturing high ground north of Stanley on Monday, and the British commander urged the Argen-tine general to surrender and "end the killing," British press reports

The domestic news agency Press Association said that no informa-tion was available in London on Brig. Gen. Mario Menendez' reply to the plea from Maj. Gen. Jeremy Moore, commander of the British ground forces massed for assault on the capital of the Falkland Is-

The Defense Ministry declined

Press Association, whose correspondents are briefed regularly by high British government officials, said in an unattributed report that Gen. Moore radioed Gen. Menéndez on a VHF transmitter using a Spanish-speaking British marine captain as interpreter.

cy quoted Gen. Moore as saying. dropped leaflets over Stanley urging Argentine troops to give up.

Earlier, the British Defense Ministry said Argentine planes bombed the advancing British troops Monday without causing casualties and that British gunners

shelled the Argentine garrison.

In the first official report in six

days on the tightening British ring

"Let's end the killing," the agen-Twice last week, British planes

the two sides traded artillery fire Sunday around the capital, but it said there were no casualties among Argentine forces awaiting a British assault. The statement said the abandoned equipment had the markings of the marines' 42d com-

Mr. McDonald reported "little direct operational contact with Argentine forces" around Stanley. However, British correspond-

some equipment was left behind.
It added in a communique that

around the Argentine stronghold, the spokesman, Iau McDonald, said British troops are patrolling forward territory and consolidat-ing their positions" close to the Argentine defensive perimeter.

Mr. McDonald said that equip-He said at a news conference ment is being moved up by the British to the Stanley front from that the air raids were probably carried out by British-built Can-berra bombers. At the time, artilthe British beachhead at San Car-

los Bay, 50 miles to the west. Argentine traders are finding ways to thwart EEC sanctions. Page 3. Gen. Moore has been consolidating his positions for about a week after Argentine troops pulled back from the ridges that command the ground around Stanley.

lery on high ground close to Stanley was said to have been bom-barding Argentine positions. Mr. McDonald gave no indica-These positions, Mr. McDonald tion when Gen. Moore was likely "continue to be attacked."
se gave no details of the adto launch his assault on Stanley, vance toward the capital by 7,500

tines are waiting in a horseshoecommandos, paratroopers and inshaped perimeter with their backs The Argentine high command said Monday that British forces retreated after clashing with Argentine ground patrols. They said Mr. McDonald said British troops, including Nepalese Gurkhas, are on patrol behind the Brit-

skirmishing and commando raids that are said to have pushed Ar-

one mile (1.6 kilometers) of the

ish lines mopping up "Argentine pockets of resistance." He said soldiers had come across "a number of trip-wire mines and bobby traps" around Darwin and Goose Green, a key base captured by paratroopers May 28-29 after a 14-hour battle.

Earlier, a report from the Falklands said 40 to 50 of the Britishdescended islanders were being held prisoner by Argentine troops on West Falkland who have been

## LONDON - President Reagan first time as president and said, "I arrived Monday night for a two-day visit, as Britain remained preoccupied with the conflict over the Faikland Islands. Mr. Reagan, who flew to Lon-don from Rome, was greeted at Heathrow Airport by Prince Philip

in America and the Middle Fast and called Poland, the pope's native country, a "martyred nation" that had been a "bastion of freedom." Mr. Reagan called for an end to martial law in Poland, freedom for political prisoners and renewed talks between the government and Solidarity.

"arms reduction to help bring a real and lasting peace to the world" and called on the Roman Catholic Church to help him "prevent the spread of repression and godless tyranny" in Latin Ameri-

the absence of war. It also involves reciprocal trust between nations a trust that is manifested and proved through constructive negotiations that aim at ending the

ing back to the Crusades that overlooks the border, and Hasbaya is a strategic town guarding the ap-proaches to Syrian-controlled territory in the Bekaa Valley.

Beirut Is Bombed; Syrian MiG Is Shot Down in a Dogfight

Objective Reported Met

Maj. Gen. Rafael Eitan, the Is-raeli chief of staff, said Monday second attack in three days on the suspected PLO arms depot and that all of the objectives set for the army so far have been achieved ahead of schedule and that areas training camp.
In Beirut, official Lebanese sources confirmed that the Israelis behind the advancing troops have had captured Beaufort Castle, Hasbaya and Nabatiye. However, the Palestinian news agency WAFA denied that the Israelis had been cleared of guerrillas.

Prime Minister Menachem Begin met Monday night with Philip C. Habib, the special U.S. envoy, and reportedly told him that Israel

PLO's Shellings Prompted Assault

Attacks Gave Begin Political Support for an Invasion

The Israeli command described

the air raids as retaliation for the

shooting Thursday of Israel's am-

bassador to Britain, Shlomo Ar-

gov, who was critically wounded in London. The PLO has denied any

NEWS ANALYSIS

The Palestinian shelling, with ar-

tillery and rocket launchers, was

the most severe ever directed against Israeli towns and kibbut-

zim by the PLO, which has under-

gone a gradual transformation in

recent years from a guerrilla force

range heavy artillery, Soviet-built

tanks and Soviet-made mobile

launchers that can hit northern Is-

rael with salvos of deadly rockets.

The fact that these weapons have

been used against Israeli civilians,

in response to Israeli air attacks.

has resolved both military and po-

Since Friday, life in northern Is-

rael has disintegrated. Residents

litical issues for Mr. Begin.

The PLO has assembled long-

to a conventional army.

responsibility for the attack.

Beaufort Castle is a fortress dat- will not agree to any cease-fire that would allow the guerrillas to move back within artillery range of civilian settlements in the northern

> Israeli military officials conced-ed that the advancing armored and infantry brigades were meeting suff resistance in some sectors, but they denied that their troops had clashed with Syrian forces directly.

An army spokesman said the Syrians had been assured through diplomatic channels that the Israel forces were not interested in engaging the Syrian Army in Leba-

underground shelters, schools and

stores have been closed, factories

have slowed production and farm-

ers have left their fields. Although

human casualties so far have been

relatively light on the Israeli side,

property damage has been exten-

had been resisting the idea of an invasion conceded that the situa-

tion in the north had become in-

alternative," one said. "You can-not have a situation where all the

northern part of the country stays

The shelling has given Mr. Begin

the political consensus that he had

lacked. He met Sunday morning

with leaders of all major political

parties, including the opposition Labor Party. Despite Labor's bit-

ter dislike for Mr. Begin's govern-

ment, its leaders did not criticize

Shimon Peres, head of the Labor

(Continued on Page 2, CoL6)

his military moves.

in shelters.'

"It is a situation of almost no

Even government officials who

Syria reported that two Israeli

Gen. Eitan was quoted on Israeli radio as saying his troops had taken a zone on the Lebanese coast north of Sidon, about 30 miles from the border. He also an-

nounced the capture of Hashaya. Syrian forces are believed to be slightly farther north, and Gen. Eitan said Israeli forces had been shelled from that zone, where Palestinians also are located. "I'm

not sure it was the Syrians," he Gen. Eitan said of the pace of the invasion: "The most unexpected thing is that we have advanced

The chief of staff said he had met with the commander of the UN peacekeeping forces in Lebaof Ireland. "I brought him up to date ... so that there will be no accidental clash between our army

and his troops," Gen. Eitan said. In Beirut, at least two rockets hit the U.S. Embassy. A spokeswom-an for the State Department in Washington said the embassy was damaged but there were no casual-ties. She said there was no indication who was responsible for the

Western correspondents along the easternmost prong of the 33mile invasion front reported that dozens of camouflaged trucks filled with Palestinian guerrillas had been seen moving north into the Bekaa Valley, where Syria has SAM-6 anti-aircraft missile batter-

# Reagan Flies to U.K. **After Visits in Rome**

and Prime Minister Margaret Thatcher. Then he boarded a U.S. Marine helicopter for a brief flight

Diplomats say the Lebanon and Faitlands crises point up weak-nesses in U.S. policies. Page 2.

to Windsor Castle, where he will be the guest of Queen Elizabeth II until Wednesday, when he will fly to Bonn for a NATO summit. Monday's 14-hour schedule took Mr. Reagan from France, where he

had attended a seven-nation eco-

nomic summit meeting, to Rome for an audience with Pope John Paul II and meetings with Italian leaders, and finally to London for dinner with the queen. In his meeting with Mr. Reagan, the pope had urged the United States to "step forward at this crucial moment in history to consolidate her rightful place at the ser-

pal library, talking across a simple wooden desk, each man sitting on a high-backed velvet chair. Then, on a televised program with the pope, Mr. Reagan noted

vice of world peace." For 50 min-utes the pontiff and the president

met alone in the 16th-century pa-

that he was visiting Europe for the would like to think of it as a pil grimage for peace, a journey aimed at strengthening the forces for peace in the free West by offering new opportunities for realistic ne gotiations with those who may not share the values and the spirit we

He spoke of the conflicts in Lat-

The pope said peace "is not only

Mr. Reagan, his voice becoming boarse, said the pope should return to the United States to visit the Western states. The pope visited

"We seek the same goals of peace, freedom and humanity that the church pursues," he said.

He also pledged to work for



President Reagan, followed by Prince Philip, reviewing a unit of the Coldstream Guards in ceremonies Monday at Windsor Castle. He is spending two days as the guest of Queen Elizabeth.

several cities in the East and Midwest in 1979.

About 250 American priests.

Dozier from his terrorist kidwest in 1979,
About 250 American priests,
seminarians and families of U.S. diplomats cheered and applauded Mr. Reagan and his wife, Nancy, when they entered a nearby hall

for a reception. Mr. Reagan then went to Premier Giovanni Spadolini's office in

nappers in January. The president told the seven that with the help of men like them "we are going to wipe terrorism off the face of the

At a luncheon in Rome, Mr. Reagan saluted President Sandro

In his toast, Mr. Pertini de-nounced what he called Israel's

# Versailles: U.S. Saved Face, but Gained Little

By Hedrick Smith

nomic negotiations with the Third World for a modest, face-saving gain in his campaign to curb credits to the Soviet Union. But American headway at the economic summit conference here was far short of what Washington had hoped for in advance. In a very real sense, the Reagan administration fared better defensively than offensively

at the summit meeting. The president protected the laissez-faire doctrines of Reaganomics from persistent French pressure for a clear-cut pledge of government intervention to stabilize volatile currency markets. Although Mr. Reagan was criticized for high

J.S. interest rates, he was spared, in the final declaration, any specific denunciation of the large U.S. budget deficits and the interest rates that other nations blame for stalling their own economic recovery. As the only leader at Versailles who chose to

summarize the three days of talks in a prepared statement rather than at a personal news conference, Mr. Reagan hailed "the spirit of partnership" that had prevailed. And evidentfor the sake of solidarity and partnership. he was prepared to settle for less headway than he really wanted on some pet American objec-

Gamely, Treasury Secretary Donald T. Regan insisted to reporters that the U.S. delegation was "more than satisfied" on the controversial credit issue because the six other nations had publicly pledged to "handle cautiously" their financial and economic relations with Moscow and to observe "the need for commercial prudence in limiting export cred-

But privately, other Americans conceded that this did not set a specific ceiling on overall credit to Moscow and did not explicitly com-mit the French to stop granting Moscow "sub-sidized credit" well below prevailing market

**NEWS ANALYSIS** rates of interest. These were described by Mr.

Reagan last Tuesday as major objectives of the administration at the summit conference. Mr. Reagan was taunted, moreover, by Chancellor Helmut Schmidt of West Germany, who remarked that German and French trade with the Soviet Union had declined since 1978 while Japanese trade had risen and U.S. trade had grown "by 50 percent - five zero percent.

And President François Mitterrand of France emphasized Sunday night that the formula on credits left each country "sovereignly responsible for deciding what is prudent trade with Moscow.

Credit a 'Cliff-Hanger'

The credit issue, a U.S. official said, was "a cliff-hanger." At noon Sunday, the leaders were still unable to agree precisely. After a 30minute discussion, they put the issue aside. Everything else was then settled except the issue of "global negotiations," a pet project of Mr. Mitterrand, who is the main holdout on expli-

citly limiting credits to Moscow. As the seven leaders began to edge into the issue of stepped-up negotiations over economic help for underdeveloped nations, Mr. Reagan interrupted to say he needed more time to think over that item. He even proposed a 20-minute break.

But the discussion instead turned back to export credits for the Soviet Union, U.S. officials said that Mr. Reagan never explicitly said he would not give ground on the North-South issue until France yielded on the credit issue, but they said his tactics set up that bargain.

After an hour and a half of haggling over language on the credit portion of the final declaration, Mr. Mitterrand went along with a watered-down version. Mr. Reagan then agreed quickly for the first time that the United States would accept an Algerian proposal from a 77nation Third World group as "the basis" for arranging an agenda for a large economic conference of both advanced and developing nations. Canadian. French and European Economic Community leaders hailed this as "a

major breakthrough. The gain for the Reagan administration on the credit issue was the indirect pledge of the other nations to limit the amount of government subsidized credits and the accompanying agreement to have information on their overall East-West trade pooled.

The disappointment, however, was that, unlike the 1979 summit conference in Tokyo, which adopted specific numerical targets for limiting energy imports, this conference set no specific ceilings on the amount of official credits to finance exports to the Soviet Union. Some U.S. officials contended that official credit would decline, but others said this was (Continued on Page 2, Col. 7)

INSIDE

ored to call you amico," or friend.

He also praised Italy's contribu-tions to NATO, its stand on Po-

land and on the Soviet interven-

tion in Afghanistan, and its rescue of Gen. Dozier from terrorist cap-

■ West Germany's Social Democratic Party acknowledged the deep psychological effect of its defeat in the Hamburg state elections and said that the results created strong new pressures on the federal coalition in Bonn. Page 4.

■ Some of the United States' European allies reportedly have been putting quiet presduce the percentage of blacks in the armed forces and to limit the number of blacks assigned to NATO. Page 4.

■ The Reagan administration reportedly has fashioned a new military strategy for Asia that emphasizes a shift in planning and forces from Northeast Asia to Southeast Asia and the Indian Ocean,

■ Iran's once-bustling port city of Khorramshahr, which Iranian forces recaptured from the Iraqis, is a wasteland of rubble, minefields and abandoned trenches. Virtually no building has escaped destruction. There is no life in the

A supplement describes Spain's economy. Page 9S. Page 9S.

# Chad Rebels Capture Ndjamena With Ease CONTROL OF THE PARTY OF THE PAR

By Charles T. Powers

Los Angeles Times Service
NAIROBI — The rebel forces of Hissène Habré, the former Chadian defense minister, entered Ndjamena about dawn Monday, apparently securing the city and taking over the government of Chad within three hours, according to diplomatic sources here.
No immediate word was avail-

president, Goukouni Oueddi, vhose desperate efforts to save his whose desperate etions to save ms
government, including a last-ditch
appeal to Col. Moamer Qadhafi of
Libya, apparently have failed,
Officials in Paris said that the
French Embassy in Ndjamena reported only brief fighting before
the city fell to the rebels. They
were unable to confirm reports in

were unable to confirm reports in

Paris that Mr. Gonkouni had been

able on the whereabouts of Chad's

killed crossing the Chari River which forms the frontier with CLASSE The troops of Mr. Habre's Armed Forces of the North have been closing in on the Chadian capital for the last two weeks. Mr. Habré had been driven from Ndjamena in November, 1980, when Col. Qadhafi sent Libyan troops to support Mr. Goukouni in

## for the last 18 years. 4 Major Factions

the Chadian civil war which has

cone on with brief interruptions

Mr. Habré leads one of four major factions which have been fighting for control of the country in recent years. At one time, there were 13 warring groups in Chad.

Mr. Habre's advance into Ndjamena apparently was unimpeded by the 3,000 men of the peace-keeping force from the Organization of African Unity. The OAU troops, from Nigeria, Zaire and Senegal, were sent to Chad in December to replace about 8,000 Libyan soldiers with whom Presi-

dent Goukouni had become in-

creasingly uncomfortable.

Mr. Goukouni had hoped that
the OAU forces would finish off Mr. Habre's units, most of which took refuge in the eastern region of the country, along the border with Sudan. As long as the Libyans were in the country, Mr. Habre was confined to the east and conducted sporadic hit-and-run raids against the Libyans.

When the Libyans left, however, Mr. Habre — who had been re-ceiving arms from Egypt shipped through Sudan — immediately reoccupied towns abandoned by the Libyans. The Sudanese and Egyptians were willing to support Mr. Habré because Mr. Habre was fighting the Libyans. Mr. Goukouni lobbied hard

with fellow African heads of state at several OAU sessions on Chad to have the OAU peace-keeping force take the offensive against Mr. Habré. He met with no success, and a mutual distrust seemed to build between Mr. Goukouni and other African leaders, who considered him to be weak and duplicitous. A special Chad committee of the

OAU urged Mr. Goukouni to meet Mr. Habré for negotiations and in February passed a resolution that set a deadline of this Wednesday for those negotiations to begin. The resolution also called for withdrawal of the OAU forces by the end of this month.

# 2 Big Quakes Rock Mexico

The Associated Press MEXICO CITY - Two major earthquakes, measuring 6.5 and 6.9 on the Richter scale, rocked central Mexico Monday morning, but authorities reported no deaths and were about four hours apart.



## Hissène Habré

tenced Mr. Habré to death in ab-sentia as a "war criminal," refused to meet Mr. Habré, whose advance through the scattered desert towns of the northern and central regions remained unchecked.

portedly fled across the Chari Riv-

buildings are still in rubble from the heavy fighting in December, Most of those leaving Ndjamena were taking refuge in the Cameroon town of Kousserie. A refu-

Chad is a desperately poor, land-locked central African nation with a population of about 4 million. The northern two-thirds of the country is desert, the southern third densely tropical. It is a foronly minor damage. The quakes mer French colony, independent

## New York Times Service VERSAILLES, France — President Reagan traded a last-minute concession on global eco-

But Mr. Goukouni, who has sen-

Saturday night, Mr. Habré's forces took the lown of Massaguet. only 50 miles (80 kilometers) north of Ndiamena

Over the weekend, civilians reer from Ndjamena, whose central

gee camp there once held 25,000 Chadians who fled earlier fighting.

# **WORLD BRIEFS**

## **SWAPO** Leader Optimistic on Talks

DAR ES SALAAM — Western nations are now serious about negotiating a settlement for South-West Africa (Namibia), the South West Africa People's Organization leader, Sam Nujoma, was reported Mon-

"There seems to be a definite degree of seriousness in the so-called contact group's approach to the negotiations," he said during a stopover here Sunday as he returned from talks in Bonn, the official Tanzanian news agency, Shihata, reported.

Namibia is ruled by South Africa, and SWAPO has rejected a balloting system for independence that was proposed by the United States, Britain, France, West Germany and Canada, who form the contact group. But officials from the group are due to start a tour this week of southern African Front-line states that support SWAPO: Tanzania, Angola, Botswana, Mozambique, Zambia and Zimbabwe.

## Turkish Diplomat Killed in Lisbon

LISBON - Gunmen shot and killed a Turkish diplomat at his home near Lisbon Monday and severely wounded his wife, Portugal's radio Police were quoted as saying that Erkut Akbar, an embassy adjutant,

and his wife were attacked by "one or more gunmen" as they left their suburban home. His wife was unconscious in a Lisbon hospital Police sources quoted by the radio said they suspected Armenian terrorists of carrying out the attack.

## Regional Votes Test Marcos Program

ZAMBOANGA, Philippines - The ruling New Society Movement of President Ferdinand Marcos trailed in one region and led in another Monday, according to unofficial early returns in elections for assemblics

in two antonomous Moslem regions in the southern Philippines.

Observers said that the turnout for 34 seats in two regional assemblies would reflect the amount of support that Mr. Marcos has gained for his program of limited self rule for the region's 2.5 million Moslems.

Mr. Marcos, under pressure from several Islamic nations, established the regional assemblies in 1979 in an effort to halt the fighting that has killed an estimated 60,000 people during the past decade.

# Mozambican Security Chief Defects

JOHANNESBURG - Mozambique's national security director defected to South Africa on Monday, saying the Soviet Union was trying to dominate his country.

George Costa, 30, applied for political asylum at Jan Smuts Airport and asked for permanent residence. In an interview on South African television, he said in halting English, "I am convinced there is a conspiracy by the Soviet Union to put defeat in my country."

Mr. Costa, who is of Portuguese descent, said Soviet influence grew in

Mozambique after independence from Portugal in 1975, and "they are taking over a lot of our economy — to command a lot of our economy." He said the Soviet Union was interested in Mozambique "because they have a main target, and the main target is southern Africa."

## S. Africa Aide Testifies in Aggett Death

JOHANNESBURG - A government doctor testified Monday that he could not rule out that union activist Neil Aggett was strangled to death in police custody. But he said he still believed that Dr. Aggett hanged himself in his cell

Johannesburg Chief Surgeon Vernon Kemp, who did the autopsy on Dr. Aggett's body, appeared at an inquest into the death at city police beadquarters Feb. 5. Dr. Aggett, a 28-year-old medical doctor and organizer for a black trade union, was the first white to die while being detained without charge under the country's sweeping security laws.

The inquest, to determine the cause of death, was reopened after a seven-week break with the submission of a sworn statement that Dr. Aggett made 14 hours before he died in which he alleged that he had been tortured during his 70 days in detention. The Pretoria Supreme Court decided last week that the statement could be heard, overruling government objections that the document would compromise security

Compiled From Agency Disposches

# The more you know about Scotch, the more you like Ballantine's.



George Ballantine & Son Limited



Israeli tanks crossing the Litani River into southern Lebanon to attack Palestinian guerrilla bases.

# U.S. Regrets Violence in Lebanon But Ties Invasion to PLO Shelling

WASHINGTON — The U.S. government Monday said that it regrets the "spiral of violence" in Lebanon, but it appeared to take Israel's view that the invasion was justified because of the shelling of Israel from southern Lebanon.

It refrained from any public criticism of Israel's actions, linking them to provocations from Palestinian forces in Lebanon.

Other international reaction to Israel's invasion of Lebanon was overwhelmingly negative. The Soviet government Monday

"emphatically condemned" the Iscupnanciary condemned the fa-raeli invasion and warned that "Is-rael's aggression against Lebanon and the Palestinian people is once again taking the Middle East to a dangerous line." "The Soviet Union demands an

immediate cessation of Israel's armed invasion of Lebanon and a pullout of the Israeli troops to their territory," a government statement said Moscow called on the UN Se-

curity Council to "immediately take measures to curb the aggression and to compel Israel" to re-spect previous UN decisions and

the sovereignty and territorial in-tegrity of Lebanon. and resume our talks about auton-omy." In a 15-0 vote Sunday night, the

Security Council requested Israel to withdraw forthwith and immediately from southern Lebanon.

Alan Romberg, the State Department deputy spokesman, said Israel should withdraw its forces from Lebanon but added that there must also be a halt to attacks

"Israel will have to withdraw its forces from Lebanon, and Palestimans will have to stop using Lebanon as a launching pad for at-tacks on Israel," he said in a state-

into Israel as part of any settle-

In Cairo, President Hosni Mubarak of Egypt condemned the in-vasion as "flagrant aggression against Lebanon's sovereignty' and demanded the immediate withdrawal of Israeli troops. But Premier Fuad Mohieddin said tary aid to Lebanon.

Of course the invasion handicaps the peace talks," Mr. Mohieddin said. "After the effects of the invasion are abolished completely, we can re-meet with the Israelis

The Palestine Liberation Organ ization Monday accused UN peace-keeping forces of collabora-tion with invading Israeli troops in their thrust into Lebanon. Hasan Abdel Rahman, the PLO

deputy permanent observer at the United Nations, said it dealt a "serious blow" to the credibility of the organization. There was no immediate comment by UN officials.

Iran called on Islamic countries Monday to use their military and economic strength, including their control of the flow of oil, to fight the invasion. President Ali Khamenei condemned Israel's invasion and said that Iran was

ready to send troops to fight what he called the "Zionist aggression." In a message read on Tehran ra-dio, Ayatollah Ruhollah Khomeini called on Islamic countries to fight a holy war against Israel to regain occupied Arab lands. In Brussels, efforts were under

way to see if the foreign ministers of the European Economic Com-munity countries should meet to discuss the Israeli action, a Belgian

# PLO Official in U.K. on 'Hit List'

New York Times Service

LONDON — Prime Minister Margaret Thatcher has revealed that a "hit list," including the name of the Palestine Liberation Organization representative in London, had been found on the men arrested after the shooting of the Israeli ambassador to Britain.

If the head of the PLO office here was among the targets, then the attackers would presumably not have enjoyed broad Palestini an support, as Israel has asserted.
Accordingly, Mrs. Thatcher's
statement Sunday night, which
came after a similar statement in
the UN Security Council Saturday
by Sir Anthony Parsons, Britain's
delegate to the United Nations,
cast doubt on Israel's justification

delegate to the United Nations, cast doubt on Israel's justification for its military strikes against Palestinian strongholds in Lebanon.

Mrs. Thatcher said she was convinced that the shooting Thursday night of the Israeli ambassador, Shlomo Argov, was not the reason for the Israeli attack on Palestinian positions in Lebanon.

"I do not believe it true in retain

"I do not believe it was in retaliation," she said in a BBC interview. "They may have made the atMiddle East, but I do not believe it was the cause.

Three Arabs, two Jordanianborn students and an Iraqi merchant, were formally charged Sun-day in the attack on Mr. Argov. who remained critically wounded but in stable condition. Neither Mrs. Thatcher nor Scotland Yard

## 13 Dead and 9 Missing In Eastern U.S. Floods United Press Internationa

HARTFORD, Conn. - At least 13 persons were killed and nine were missing in New England states in unrelenting weekend rains and floods.

Hardest hit was Connecticut, where floods forced bundreds to flee their homes and caused an estimated \$100 million in damage. It was under a state of emergency Monday. In Connecticut eight per-sons were known dead and three were missing. Five persons were killed and two missing in Rhode

THE ART OF HAVING A PRIME LOCATION IN PARIS

THE HOTEL MERIDIEN PARIS: AT THE HEART OF BUSINESS.

Triomphe, the Hotel Meridien Paris saves your time. And in business, time is important,

telex: 290 952, cable Homer. Réservation and information: see your travel agent or your

efficiency also means a prime location.

Air France office.

Opposite Air France terminal, between the business center and the Arc-de-

Hotel Meridien Paris, 81, bd Gouvion-St-Cyr. 75017 Paris, tel. (Int 133.1) 758.12.30,

tack on Ambassador Argov the oc-casion of the new hostilities in the motives or backgrounds of the suspects. An Iranian student was to appear in court on visa charges. Middle East experts said after

> assassins could have been members of a Palestinian splinter group. At least one renegade group, headed by Abu Nidal, has vowed to kill the PLO leader, asser Arafat. British officials appear to have disclosed the discovery of the hit list at least partly to defuse any suggestion that insufficient British

Mrs. Thatcher's comments that the

security was even indirectly the cause of the new fighting in the Middle East. Mr. Argov, 52. a career diplomat who was praised by Mrs. Thatcher

terested, or should be interested, in any war with Syria." as a "very, very distinguished per-son," was shot Friday as he left a dinner at the Dorchester Hotel in tainty in the operation. The ques-tion is whether Syria will stand by London's Mayfair section. After the disclosure of the hit

list by Sir Anthony, Yacov Keinan, the press counselor at the Israeli Embassay in London, issued a statement contending that it was still not known who was re-sponsible for the shooting.

# Crises Seen Pointing Up Finance Aides Weakness of U.S. Policy Plan Money Market Study

By Joseph Fitchett International Herald Tribune

PARIS - President Reagan's tour in Europe, designed to demonstrate his statesmanship, risks being marred by the wars in Lebanon and the Falkland Islands. both of which are embarrassing signs of the Reagan administration's inability to manage allies in-cluding Israel, Britain and even Argentina, diplomats in several European capitals said Monday.

The Reagan administration generally got cautious praise from European participants at the Ver-sailles summit for showing a new degree of open-mindedness on long-term issues facing the alli-

"But it was a surrealist experience to be at Versailles and watch the impotence of the United States and its main allies to get a grip on the explosive immediate crises," a French official said.

The same sense of alarm was re-

flected Monday in French and West German press commentaries.

Aside from the immediate indignity inflicted on Mr. Reagan by Israel's move into Lebanon during the Versailles summit, several European officials pointed out, the blowup in the Middle East dramatizes a long-standing philosophical divergence between the United States and most of its European al-

We have consistently maintained that the Reagan administration tended to overconcentrate on East-West issues, to be obsessed with the Soviet threat, and to ignore the local conflicts that actually represent a more immediate threat to world stability," a West German foreign policy adviser said. He added that there was no Soviet role in either the Lebanese

or Falklands crises. Particularly in the Middle East. European governments have criticized the Reagan administration's emphasis on building an anti-Sovi-et strategic bloc of moderate Arab countries instead of pressing Israel to seek a negotiated settlement with the Palestine Liberation Or-

At the same time, European diplomats expressed some sympathy for the Reagan administration's predicament. "It's a sign of our times that even the superpowers or a combination of powers cannot control the outbreak of local conflicts," a French diplomat said. But a West German source add-

"The crises in the Middle East and the South Atlantic are reminders of why the superpowers need a iar face with colleagues who have stable relationship, to be able to also felt the impact of his policies.

(Continued from Page 1)

the duty of Israel to do whatever is

necessary to stop these attacks upon the population and the life in the northern part of Israel. It is surely a matter of self-defense. I do

not believe that Israel has any ter-

ritorial ambitions as far as Leba-non is concerned, nor is Israel in-

Syria looms as the chief uncer-

assively or attack the Israeli

The possibility of Syrian inter-vention also worries the United States, which had urged Mr. Begin

vigorously in the past to refrain

from an invasion but was slow to

Throughout Friday and Satur-

day, Israeli officials report, no word of warning came from Presi-dent Reagan, who is attending a summit meeting at Versailles, France. They said that a letter from Mr. Bearen was delivered by

from Mr. Reagan was delivered by messenger to Mr. Begin at 7 a.m.

Sunday Jerusalem time, which was after the decision had been made

The president reportedly sent the message from Versailles about six hours earlier. An Israeli official

said the U.S. Embassy had tried to

reach Mr. Begin during the night with the letter but that the prime

derstand the Israeli action after the

attempt on the life of Mr. Argov and the Palestinian shelling. How important this was in the decision

to invade was unclear, but Israeli troops rolled through the lines of the United Nations peacekeeping force in southern Lebanon at about II a.m.

Israel's stated, short-term aim is to crush the PLO militarily and to

drive its weapons beyond the

range of northern Israel, not to en-gage Syria in a battle that could quickly escalate into a wider war.

Through a devastating assault

on the PLO in southern Lebanon, Israel hopes to set the stage for a

diminished Syrian role in the country and possibly broader control of Lebanese territory by Lebanese Christian forces friendly to Israel.

In the first three days of fight-

minister had been unavailable. The delay had created the impression in government circles here that the United States would un-

to launch the invasion.

do so this time.

Shellings by PLO Resulted

In Consensus for Invasion

contain these so-called brush fire wars."

A recurrent theme in European comments, however, was what several called a tendency by the Reagan administration to support dangerous policies on the part of strong U.S. allies.

Israel's move into Lebanon is a prime example for the Europeans of the way in which Israel, while dependent on the United States in any respects, manages to defy U.S. calls for military restraint.

What worries Britain, a British official said, is the long-run impact of an Israeli victory in southern Lebanon. Even if Israeli troops quickly eliminated the PLO presence in the area bordering Israel, the victory would only complicate negotiations, by making the Palestiman guerrillas political hostages of Syria's hard-line regime, he said. Equally challenging for the Reagan administration is the prob-

lem of salvaging a settlement be-tween Britain and Argentina after the British withdrawal from the

The West German, French and Italian governments hope that the United States can muster the diplomatic weight to bring its two allies. Britain and Argentina, to a

# U.S. Gained Little at Talks

(Continued from Page 1) already happening because of the unsettling economic conditions in

Eastern Europe. Moreover, the Americans had to drop another idea. They had hoped to persuade the conference leaders to endorse a proposal of the Organization for Economic Cooperation and Development, a 24-nation group, that would have the effect of raising interest rates on credits to the Soviet Union by about 4 percentage points, to about 12.5 percent.

This would take place by mov-ing Moscow from the second category into the top category of credit recipients and by increasing inter-est rates for all categories.

The tough give-and-take on the East-West trade issue was an indication that Mr. Reagan, who dominated last year's conference in Ottawa as the new U.S. president, could not count on having his way as a second-year man, now a famil iar face with colleagues who have

tinues, the Israeli problems are ex-

Syria, however, has a strong mil-

itary force, rebuilt extensively since the 1973 war. It includes

3,700 tanks, compared with 1,500 to 1,600 in 1973; 500 fighter planes, compared with 350 in

1973; 80 anti-aircraft missile bat-teries, compared with 34 in 1973; and 12 Scud ground-to-ground missile launchers that they did not

Officials say Israel does not want to occupy Lebanese territory for a long period.

Defense Minister Ariel Sharon,

befense Minister Ariel Sharon, who has been pressing for this operation for months, has spoken of driving the PLO into Jordan, which he regards as a logical site for a Palestinian state. Mr. Begin, however, disagrees with that objective, and it is not likely to be pur-

But the ability to complete the attack quickly depends on whether Syria engages the Israelis. Zeev Schiff, the Israeli military corre-

spondent of the daily newspaper ha'aretz, warned in a column last month that "it is possible to win on the battlefield there, but sink

into a bog from which it will be rather hard to extricate ourselves."

nibilation of the PLO's military

and political infrastructure so that

they won't be able to recover in

"Add to that, the creation of a situation in which a new Lebanese

government will come about in a

way that may be defined as legiti-mate, a government that will come

to terms of peace with Israel." Mr. Schiff said, adding that "this calls for a banishment of the Syrian

Army from Lebanon, or at least

from most of it, and maybe setting up in Beirut" the Christian leader

Bashir Gemayel and his forces.

"All this, the tactician in Sharon

knows, must be done at the greatest speed, for our time is running

will slow the pace of events and lengthen Israel's timetable."

some Soviet involvement, since Moscow has a treaty of friendship and cooperation with Syria.

Israeli officials also expect other political costs, including some

strains with Egypt and Western Europe. But these have now been

deemed a minor price to pay for

It would also run the risk of

he said. "Syrian intervention

Mr. Sharon's objective, he wrote, "seems to be a complete an-

have in the last war.

# Summit Nations Look At Intervention Effect

By Axel Krause

ional Herald Tribune VERSAILLES. France Finance ministers of the seven nai tions that participated in the West-ern economic summit have agreed in their own meetings at Versilles to launch a major study of the usefulness of government intervention in currency markets.

The study, which senior governs ment officials have already beginn to prepare, will be conducted under the auspices of the International Monetary Fund. It will focus on the currencies of the United States, Japan, West Germany, Britain and France — the currencies that make up the basket known as IMF spe-cial drawing rights.

The agreement is attracting at-tention because some of the West European governments represented at Versailles still hope that it could move the United States to modify its noninterventionist policy, officials of summit nations

"Intervening in the currency markets is certainly not the only thing we are seeking, but clearly it is a priority interest, particularly regarding the dollar," a senior French government official said Monday, adding that "the study is a first step in that direction."

## 'Open Mind'

Speaking to a small group of respeaking to a small group of re-porters at a breakfast meeting on Monday, U.S. Treasury Secretary Donald T. Regan said he would not prejudge the results of the study. "I am keeping a definite open mind, and I am not kidding on that," Mr. Regan said.

His comments were not new but

His comments were not new, but they were viewed as showing great-er flexibility on the subject than his outspoken deputy, Beryl Sprinkel, undersecretary for mone-tary affairs, who has steadfastly tained that previous studies have shown that intervention does more harm than good

The differing approaches were not viewed as a fundamental division in the Treasury, but they re-flected an apparent shift in think-ing by top administration officials toward taking intervention more

Mr. Regan's apparent flexibility expected to continue to fuel widespread expectations in Paris and to a lesser degree in Bonn that the Reagan administration is actially moving toward a more inter-ventionist role in the foreign ex-

## 'Ups and Downs'

Speaking in guarded terms at a news conference Sunday, Chancel-lor Helmut Schmidt of West Gesmany said that he viewed the to smooth out only what he termed "volatile upe and downs" of specific currencies. He said that Bonn would not use its currency reserves to stabilize a foreign currency against basic trends.

Yet in an apparent reference to the emerging study, he told German newsmen Sunday evening that he thought that the United States had moved toward the European position of seeking greater and more coordinated interven-

Echoing the views of other European leaders, Mr. Schmidt added that the results of the study "will have to be seen in practice."

The preparatory work, directed by a senior French official, will be presented to the IMF-World Bank meetings in Toronto next September. The study on intervention itself could begin thereafter and take as long as a year to complete, officials said.

The dollar advanced strongly early Monday on European forcign exchange markets but retreated slightly in thin afternoon trading. In London, the dollar closed up 2.5 pfennigs against the Deutsche mark over Friday's closing rate. Dealers said the strength was a result more of Mideast tension than of news from Versailles. [Story, Page 17.]

## Rising Dollar Hurt **UN Aid Program**

GENEVA — The rising dollar cost the UN Development Program \$75 million last year and the loss could be even greater this year, UNDP administrator Bradford Morse said Monday.

Donor countries made pledge worth \$740 million at exchange rates current early last year, but their contributions in their own currencies were worth only \$665 million at the end of the year, he

Mr. Morse, in Geneva for a meeting of the UNDP governing council, said that despite the bleak financial outlook, he was still optimistic it could finish all the projects it planned in its 1982-1986 program. The spent a lot of time ruming around with a tin cop in hand," he said, adding that he found more support in national parliaments for the UN Development Program than he had expected. But he said the dollar rate could have a worse effect this year than last.

NEW YORK 2380 F **JET EVASION** 260.30.35 Marie france

205, rue St-Honoré. 75009 Puis

# **ADOPTION SERVICES**

ing, Syrian aircraft have stayed away from Israeli planes making bombing runs. If that pattern con-

We are a licensed adoption agency now accepting applications for adoption of children born in the U.S.A.

For information, please write or call:

FRIENDS OF CHILDREN, INC. 4325 Memorial Drive Decatur, Georgia 30032, U.S.A. Telephone: (404) 294-9000.



An Argentine-Cuban trade agreement was signed in Havana by the Argentine foreign minister, Nicanor Costa Méndez, left,

and the Cuban foreign minister, Isidoro Malmierca Peoli. The signing took place after a meeting of 80 nonaligned countries.

# Cuba Is Trying to Exploit Falklands Conflict

By Alan Riding

By Ard Ko

VERSAILLES,

ap the basket know call drawing rights.

The agreement is a tention became to a tentio

modify its nonnersection of ficials of

Intervening in L.

'Open May

his outspoken

more have that good

Ston in the Treasure &

Uesten zu abbaten 🗗

ing by top administra

fow and taking interes

Mr. Regan's appearing

is expected to make

widespread commit-

and to a lesser degree.

The mount towns is

'Ups and Dog

Speaking in grants:

acts containe Sind

for Fielms Schmidt of

many said that he e Determent is average to smooth out out that DECEMBER OF THE STATE OF THE ST e curaca licult

करणार्थ दशास्त्र गणका

to stabilize a femp:

Yes in an appropriate the emerging such his newsmen last; that he shough that

States had moved week

The sur Losing of such

Echoune du vende reneus leaders Mr Sta

ed that the results of all have whe some

The preparator of

presentation the latte mering in Towns Per Tae stats @ me

Series to the se

take as long as a ware

The color and THE COLUMN THE SECOND STATES OF THE SECOND S

in Lection be &

De siche mat om fü De siche mat om fü

was a result man dis-

Rising Dolla

the Reagan admin

спапре <u>точек</u>

European government ed 2: Versaille suit o could move the Universalle New York Times Service HAVANA - Heartened by evidence that the Falklands conflict has already damaged Washing-ton's relations with Latin America, Onha is now trying to use the crisis to end its political isolation from much of the region.

In the last two months, Havana has emerged as one of the strong-

markets is cottainly at thing we are seeing at thing we are seeing at its a priority intend of regarding the debat regarding the downward of the control of the country and the country a first step in that time. est supporters of Argentina, with which it had tense relations before the dispute. And it took the lead in mobilizing sympathy for Argenti-na at a meeting of Third World na-tions professing nonalignment that ended here Sunday. Speaking to a small be porters at a breaking.
Monday, U.S. Transp.
Donald T. Regan and

not prejudge the late.
Study. "I am long;
open mind and long;
on that," Mr. Regnat.
His comments man. Cuban officials have also argued that, despite their political differences, Latin American countries with Cuba among them — have His comments wards they were viewed a see been drawn together as never be-fore by the issue. Fidel Castro, the er flexibility on the a Orban leader, said last week that the Falklands had stirred "the most nationalist Latin Americanist Sprinkel undersemble tary affairs, who ke p sentiments that I've ever known."

mainteined that pure have shown that mere Further, Cuban officials believe that Washington's decision to sup-port Britain in the crisis has damaged the entire concept of an inter-American system linking the Unit-The differing appearance rich viewed as a links ed States and Laun America and has weakened the Inter-American Treaty of Mutual Assistance, a pact usually invoked only to com-fat Communist threats in the re-

> "Whatever happens, things will never be the same again," a senior Cuban official said. "The United States said the treaty wasn't applicable against Britain, but the next time Washington tries to use it, Latin America won't follow."

vertuorist tole in the Cuba's foreign minister, Isidoro Malmierca Peoli, told delegates at the nonaligned meeting here that both the treaty and the Mouroe Doctrine were now awaiting "a decent functal."

vana's decision to exploit the rift between Washington and Latin America also reflected its conclusion that recent secret contacts with Reagan administration offi-cials offered little hope for an improvement in U.S.-Cuban rela-

"Cuba has nothing to lose and a lot to win," a well-placed Western diplomat said. "The talks with the Americans were going nowhere. This was a chance that Fidel could not pass over."

Regional analysts recalled that, having re-established ties with much of Latin America in the mid-1970s, Cuba's relations with numerous countries, notably Argenti-Venezuela, Peru, Colombia, and Costa Rica, had again deteriorated over the last two years.

With the Reagan administration campaigning strongly against sup-posed Cuban involvement with Central America's revolutionary movements, much of Latin America also seemed happy to push Ha-vana back into the cold. Only Mexico, Nicaragua, Grenada and, occasionally, Panama, were willing be counted among Cuba's friends in the region.

But, seeing Latin America's anger and frustration over the Falk-lands directed even more against the United States than Britain, Cuba has now jumped at the op-

# Mobutu in Seoul for Talks

SEOUL - President Mobutu Sese Seko of Zaire arrived Monday in Secol for talks with President Chun Doo Hwan of South Korea on ways of increasing trade and technical links and cooperation in the development of minerals, forestry and other resources.

portunity to pull closer to the rest of Latin America, starting with a cause supported by the entire Arsuch countries as Peru and Vene-zuela that have adopted similarly strong positions in the crisis.

gentine people.

But they also quickly pointed out that the crisis had also brought strong positions in the crisis.

"Nothing dramatic has hap-pened yet," a Cuban official con-ceded. "In both cases, our relations are still at the level of charge d'affaires rather than ambassa-dors. But this whole business is going to have very profound con-

Given Argentina's recent record repression against suspected leftist militants, some Cuban officials conceded a certain embar-rassment in finding themselves now supporting the Buenos Aires junta, although they fell back on

the argument that the Falklands is

them positive results, specifically the withdrawal of Argentine military advisers from El Salvador and Guatemala, where they were providing counterinsurgency training to local armies, and from Honduras, where they were helping armed bands of anti-Sandinista Nicaraguan exiles.

"This alone is a considerable achievement," an official argued. The United States had clear plans for Argentina to form a force capable of invading Nicaragua and this

# Timely Maneuvers, Third Parties Help Argentina Skirt EEC Boycott

By Margot Homblower Washington Past Service

BUENOS AIRES - Javier 1. Gamboa, head of Alpargatas, one of Argentina's largest privately owned conglomerates, says he does not worry too much about the European Economic Community's trade embargo. He used to sell fish blocks to France and West Germa-

ny. Now, seven weeks into the EEC boycott, he says he still does. "We triangulate through a friendly country," Mr. Gamboa said, "It costs us more, but we keep doing business with Europe." Triangulation, or the routing of goods through a third country, is one of the ways Argentine traders have found to thwart the sanctions declared by the EEC after Argenti-na invaded the Falkland Islands.

As an instrument of diplomacy, the trade embargo failed at the start to bring Argentina and Britain closer to a negotiated settlement. As a test case of economic warfare, it is proving to be largely symbolic, according to business men and government officials in Argentina.

possible sanctions began to circulate, telex lines between Argentina and Europe were jammed with last-minute contract agreements. "The entire fruit crop was sold with First National Bank of Bos-

In early April, when rumors of

ton in Buenos Aires. When the embargo took effect in mid-April, Argentine companies and trade officials began a major effort to expand into new markets. Iran bought a million tons of Large quantities of meat were sold to Egypt, Iraq and Algeria, Mr. Gamboa, who once sold denims and corduroys to Britain,

A CONTRACTOR OF THE SECOND

"It's a hickup," said Archibald B. Norman, editor of the Review of the River Plate, a financial weekly. He scoffed at British reports that the embargo was costing Argentina \$40 million a week.

The sanctions, which are the toughest imposed by the EEC in its 25-year history, could begin to hurt once contracts expire in the next one to six months. However, the defection of Italy and Ireland last month considerably weakened the effect of the extension of the sanctions by the other eight Common Market nations.

mon Market nauous.

Argentina normally sells more than \$2 billion in goods, or 21 percent of its annual exports, to EEC countries. Most of this is agricultural produce.

A counterembargo imposed by Argentina on EEC imports has caused little disruption because contracts were signed before it took effect. Moreover, Argentina has drastically cut imports to conserve foreign exchange.

## 'Not Very Much' Damage

"Don't believe what you read in the papers," said Economy Minis-ter Roberto Alemann. For the time being the sanctions have caused some damage, but not very much. We lost \$21 million a month half of that for meat when the British suspended all shipments, even ones that were contracted for, contrary to all the rules of international commerce. But the other countries are not preventing the sale of contracted goods."

Despite reports that foreign banks are rolling over Argentina's loan payments, Mr. Alemann de-

now sells them to Mexico and it more difficult for Argentina to Spain.

Some businessmen in Argentin speculate that if U.S. banks had cut off credit to Argentina as British banks did, Argentina would have had to pull out of the Falk-lands quickly. U.S. banks hold S9 billion of Argentina's foreign debt. When the United States sided

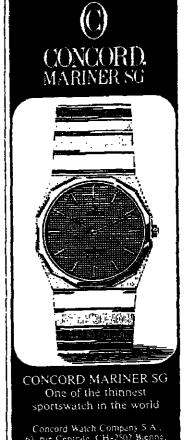
with Britain, it adopted a few symbolic sanctions, such as cutting off future Export-Import Bank loans and commodity credits, which Argentina did not use anyway.

Luis Bamuele, president of the Meat Exporters Association, said that, before the trade embargo, "no product left the port without 'Made in Argentina' stamped on the container. Now they don't require the label. Why should we complicate life? This way someone in Venezuela can buy meat and re export it to France or Britain."

Until the sanctions were imposed, about 40 percent of Argentina's beef went to EEC countries, and about a third of that went to Britain and a third to West Germany. The corned beef that British soldiers are eating in the Falklands came from Argentina.

Now exporters are selling to Middle Eastern and African countries, but the value per ton is far "They want quantity, not y," Mr. Bamuele complained.

However, because of European contracts frantically negotiated days before the embargo took effect, 90 percent of May's supplies and 70 percent of June's supplies are sold, Mr. Bamuele said. July. August and September, Argentina's winter months, are a slow period anyway, he added.





Switzerland

# Argentina Deals Gingerly With U.K. Reporters

By Richard J. Meislin New York Times Service

BUENOS AIRES - The question and the accent were entirely

Did the Argentines believe, asked Neil Wallis of the conservative Daily Star of London, that a British Vulcan bomber forced down in Brazil was on its way to Stanley on the Falkland Islands?

The answer, given in Spanish, was entirely Argentine and remarkably patient. The islands in question, explained Capt. Enrique de León, the military command's foreign press liaison officer, are called the

Malvinas and since April 2 the

capital has been called Puerto Ar-

gentino. So the bomber could not

Falklands or Stanley, since these

ve been on its way to either the

places do not exist. The nature of neither the ouesmon. The British reporters cover- forts to obtain their release.

ing their country's war with Argentina from Buenos Aires often find themselves in a personal battle between journalistic objectivity and patriousm. And the Argentines, while uncompromising in their nationalism, have gone to great lengths to be cordial to most of the enemy's invading press corps.

## 3 Remain in Prison Nevertheless, there have been problems.

The most pressing has been the continuing imprisonment of three British journalists detained on spy-ing charges during a visit to southern Argentina.

While they and their editors have insisted their mission was purely journalistic, Simon Win-chester of The Sunday Times and Ian Mather and Tony Prime of The Observer have been held without bail for nearly two months in a cell in Ushuaia, Argentina's southtion nor the answer was uncom- ernmost city, despite repeated ef-

nounced Sunday the formation of an international committee that will try to bring pressure for their quick release. But British journalists here say there are increasing indications that the government may be holding them to exchange for an Argentine war prisoner. Capt. Alfredo Astiz.

Capt. Astiz, whom the French and Swedish governments have sought unsuccessfully to question about the disappearances of three of their citizens in the late 1970s, was captured when the British retook South Georgia Island late in

In a statement here, the British editors said that "judicial sources in Argentina have made it known that whatever course the judicial process takes the three journalists face the prospect of at least another six months behind bars before even an indication of what lies ahead may emerge."

The 35 or so members of the

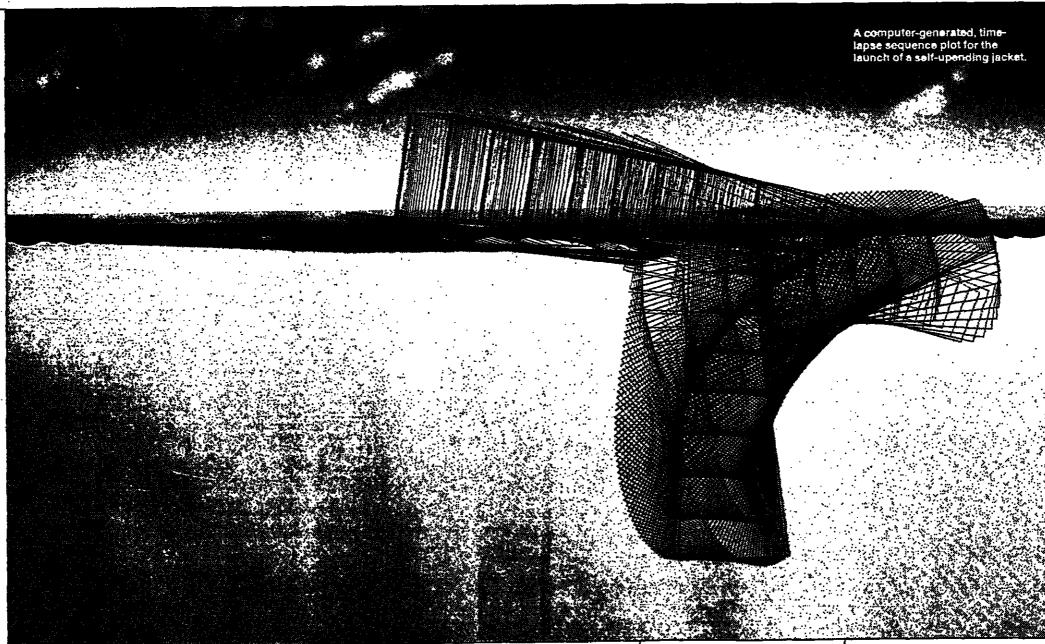
British press corps remaining here are, like their international colleagues, free to travel in Buenos Aires and the northern part of the country, and on the whole their contacts with the government have been polite.

While the Argentine government has expelled four reporters since the beginning of the war, none has been British. And while several of the Britons are approaching the end of their 90-day visas - and some have even passed it - the government has made no effort yet to enforce the limit.

"If you make some reference to the fact that you're British," said Isabel Hilton of The Sunday Times, one of the few Spanishspeaking members of the British press corps, "everyone is terribly anxious to insist on their level of culture and civilization and how it's nothing personal. The everyday people, though, get a little more intense somehow, a little more emo5:30 p.m. Fifth Avenue has a rendez-vous with rue de la Paix at the new Meurice Bar

Air Conditioned

Hotel Meurice 228, rue de Rivoli 75001 Paris



Our engineering skills reflect a world of experience.

From shallow-water platforms in the Java Sea, to 1,000-foot platforms in the Gulf of Mexico, to processing plants in the Middle East, the range of McDermott engineering is unlimited.

With principal offices in Singapore, London, Houston and New Orleans, we employ more than 2,000 engineers and technicians. All of them draw upon McDermott's 30 years of practical experience designing systems that take oil and gas from the reservoirs through final processing.

In long-term experience, our

designs have met all engineering and environmental demands, while achieving the best results at a competitive price.

**Every McDermott engineer** has access to that experience through a comprehensive series of computer programs. So the precedents we set in the past can be applied to new demands and new locations.

And since each of our offices follows standard procedures and systems, they can work autonomously or collectively to meet an engineering challenge. That means McDermott Marine Engineering can handle the widest range of projects. Simply by applying the strengths of 30 years, and more than 2,000 minds.

For more on the company with a world of experience in marine engineering, write: Robert E. Howson, President, McDermott International, Inc., 1010 Common Street, New Orieans, Louisiana 70112 U.S.A.

No matter how the world solves its energy problems, McDermott is involved.

## **Principal** International Locations:

Australia Melbourne J. Ray McDermott (AUST) Pty. Ltd. Phone: (03) 643660

Belgium McDermott International, Inc. Phone: 242-1000

Rio de Janeiro McDermott Servicos de Construção Ltda. Phone: 240-3996

Cairo, Zamalek McDermott International, Inc. Phone: 819448/815892/709741

Indonesia P.T. McDermott Indonesia

Phone: 357472 Nigeria

Lagos McDermott (Nigeria) Limited Phone: 613800/613805/ 617969/613722

McDermott (Nigeria) Limited Phone: 233433/232443/232558

Sandvika (Oslo) McDermott Norge Phone: (02) 54-5264

Singapore McDermott Engineering Pte. Limited Phone: 7344531 McDermott South East Asia Pte.

Limited Phone: 253351 U.A.E. Dubai

McDermott International, Inc. Phone: 227131 **United Kingdom** London, England

McDermott Engineering Phone: 903-1333 Aberdeen, Scotland McDermott International, Inc.

Phone: 574677 Inverness, Ardersier McDermott Scotland

Phone: 2561/2571/2575

# Defeat in Hamburg Causes Dismay, Tension in West German Coalition

and Munich - all places where the BONN - West Germany's So-Social Democrats, who describe cial Democratic Party acknowlthemselves as representing the edged the deep psychological effect Monday of its defeat in the working man, were once domi-

Hamburg state elections and said

that the results created strong new pressures on the federal coalition

Willy Brandt, the party chair-man, said the losses suffered in

Hamburg by both the Social Dem-

ocrats and the Free Democrats

the business of governing together "very much more difficult."

It signified as well a reversal in

traditional roles between the

Christian Democrats and Social Democrats. The opposition party has become the leading vote-getter

Paris' Elegant Terrasse Fleurie

One dines facing a fountain in the courtyard of Paris Hotel Inter-Commental.

HOTEL INTER CONTINENTAL

PARIS

3. rue de Castiglione, Paris 1.

ETER GRAHAM said in a Herald Trib-

une article, "(The) celebrated, and of-

ten celebrity-packed. Terrasse Fleurie is

an Italian-style patio with marvelously

gentle lighting... The interesting 165-franc set

menu, which includes service but not wine

(from the hotel's very well-stocked cellars),

comprises various seasonal hors-d'œuvres, a

main course, green salad with sherry vinegar

and the oil of your choice (corn, ground-nut,

olive or walnut), and a free run of cheeses and

impeccable desserts." Other assets: discretion.

quiet, and good value. Call for reservations: 260.37.80.

Hard for Schmidt

# The defeat was particularly hard

for Chancellor Helmut Schmidt, who grew up in Hamburg local politics and campaigned vigorously there over the past month. Mr. Schmidt's spokesman,

were serious setbacks that make Klaus Bölling, said the result was not something the chancellor "could lightheartedly brush off." The results meant that for the At the same time, he said, Mr. Schmidt did not feel let down by first time since World War II, the Christian Democrats outpolled the his city, because even if the Chris-Social Democratic Party in Ham-burg, a bastion that Mr. Brandt's tian Democrats had outpolled his party for the first time, they were party regarded traditionally as its unable to win an absolute majori-

> The Christian Democrats, through their general secretary, Heiner Geissler, called on Mr. Schmidt to resign, saying the coali-

in every major city — Hamburg, tion was breaking down. Noting a West Berlin, Frankfurt Stuttgart string of Christian Democratic election victories over the past two years, Helmut Kohl, the party chairman, recalled that a similar, although less severe, Social Democrat defeat in March, 1974, in Hamburg directly preceded Mr. Brandt's departure as chancellor in

Evaluations of the Hamburg results centered around the possibilities for a change in course by the Free Democratic Party. Its role as the third force in West German politics was sharply undercut by its failure to win the 5 percent of the vote need to enter the state parliament, and by the successful campaign of the Green-Alternative List, a grouping of leftists and peo-ple describing themselves as ecolo-

One analysis of the results, made by the Institute of Applied Social Science, an independent group under contract to the state German news agency, said. The outcome for the future of our parsystem is rather clear: a new third force, capable of attracting only a limited consensus, has appeared making things difficult for the two major parties, and pushing the Free Democrats into fourth place, if not entirely out of

the game."
The Free Democrats must decide by June 17 if they want to run alongside the Christian Democrats in state elections in the state of Hesse in September. Such a decision would represent a serious disavowal of the party's alliance with the Social Democrats, and a major step toward the dissolution of the

The West German news agency reported that the party's executive board had decided to recommend the alliance be junked in Hesse, but the party spokesman, Herbert Schmilling later said this was "ob-jectively false," and such a recommendation had not been made.

Regardless, the poor performances by the coalition parties brought new strain to their discussions, which began Monday, on a



Walther Kiep, who headed the Christian Democratic ticket as candidate for mayor of Hamburg, as he heard election results.

1983 budget. The consultations, which are to last until the second week in July, could lead to the breakdown of the government because the parties have basic disagreements over income tax policy.

The issues in the Hamburg election involved general attitudes toward the government in Bonn, charges of corruption in organizations close to the Social Democrats and environmental issues. Analysis of the results showed that the Social Democrats lost most ground in traditional working-class neighborhoods and in those areas where

young families live.
One issue that was not resolved

by the voting was who would govern in the state parliament. Hamburg law provides that the government in power does not have to resign unless a new majority has been elected.
Since the Christian Democrats

did not win a majority, the Social Democrats can argue that they are legally entitled to refuse a power transfer. The Christian Democrats maintain that this would an undemocratic and contemptuous toward the voters, but the likeli-hood is that new elections will be

The Christian Democrats won 56 seats, the Social Democrats 55 and the Green-Alternative List

# West German Says Demand for Siberian Gas Is Falling

ence: "One can hardly expect 40 many and France. billion cubic meters any longer, and we now assume about 30 to 35 Mr. Liesen said Moscow could billion." He said the reduced denot drastically affect West German gas supplies by interrupting the Siberian supply because West Germany would continue getting most of its gas from Western mand posed no threat to the overall plan for the pipeline or supplies

> He also said that Moscow "rep resents an extremely low supply risk by international standards' and added, with regard to U.S. suggestions that Western Europe should seek other gas suppliers, that he saw no other practicable options before the 1990s.

# NATO Allies Ask Limit On Black U.S. Troops, **Defense Official Says**

By Winston Williams

New York Times Service RACINE, Wis. - Some of the United States' European allies have been quietly pressuring the Pentagon to reduce the percentage of blacks in the armed forces and to limit the number of blacks assigned to European NATO bases, according to a top Defense Department official.

Speaking off the record to a scholarly conference on the growing role of blacks in the U.S. armed forces, the official said objections by the Europeans, mainly in West Germany, concerned cultural differences and "absorbing" blacks into mainly white popula-

The Pentagon representative told the conferees Friday that the Reagan administration had reject-ed the requests of the NATO al-

Some NATO military leaders. the official said, have questioned the readiness of forces that have large numbers of blacks. Combat readiness and the quality of sol-diers who ealist have been hot topics of debate in the military since the United States abolished the draft in 1973 and turned to all-vol-

## Draft Supported

Several speakers at the conference asserted that opponents of the all-volunteer Army were trying to create support for reinstating the draft by making an issue of the

growth of black troops. Blacks account for slightly more than 20 percent in the armed services, compared with about 10 percent a decade ago. In the Army more than one-third of the soldiers are black, compared with about 12 percent in 1970.

"There is a prejudice in Germany that is unremitting," said Edwin Dorn of the Joint Center for Political Studies, a black research organization in Washington that co-sponsored the conference.
They have a sensitivity to race that's not too different from that of Moshe Dayan or many people in this country. They think anything black is low quality, unde-pendable and undisciplined." already agreed upon by West Ger-

Mr. Dayan, the late Israeli defense minister, caused a storm of controversy when he said the quality of the U.S. armed forces had deteriorated because they relied so heavily on blacks.

## High School Education

Many of the papers presented at the conference rebutted that idea. Alvin J. Schexnider, an associate dean at Virginia Commonwealth University, presented data suggest-ing that in all branches of the mili-tary the percentage of black re-

cruits with high school diplomas was significantly higher than the percentage of whites with diplo-

Last year 90.6 percent of black Army recruits had finished high school, compared with 76.3 percent of white recruits. In the Navy, 86.8 percent of the blacks had diplomas, compared with 73.7 percent of the whites. The gap was narrower in the Marine Corps and the Air Force, but blacks were still

significantly in the lead.

The data indicate that at the time the draft was abolished, more white recruits than blacks in both the Army and Navy had high school diplomas. The percentage of recruits with diplomas was about equal in the two other ser-

Blacks score lower on standardized tests. Pentagon data indicate, but a recent Pentagon test has been sharply criticized on metho-

## Gunfire Reported In Korean DMZ

SEOUL - North and South Korea again exchanged gunfire Mon-day across the demilitarized zone separating the two countries, the Defense Ministry in Seoul said. It was the third such incident this

A ministry spokesman accused North Korean troops of opening fire at South Korean posts in the eastern sector of the zone. South Korean soldiers returned the fire but suffered no casualties, he said.

In April, North Korea said an unspecified number of its soldiers were killed or injured in a major cross-border gun battle. The Unit-ed Nations Command said a South Korean officer was killed and a soldier wounded when they stepped on mines in the demilitarized zone last month. An exchange of fire followed when North Korean guards started shooting after the mine explosion, it added.

## 4 Killed and 41 Hurt In Austria Train Crash

United Press Internation VIENNA — At least four persons were killed and 41 injured, some critically, when a local passenger train crashed into the Rome-Vienna express Sunday night, police reported Monday.

The accident occurred at the railroad station of Leobersdorf, about 19 miles (30 kilometers) south of Vienna, where the express had been halted because of a defect in its brake system.

ESSEN. West Germany — The Siberian gas pipeline will supply less Soviet gas to Western Europe than was foreseen because of re-duced demand, the chief executive of the West German energy group Ruhrgas said Monday.

The Soviet Union and West European countries involved in the multibillion-dollar project have said it would deliver 40 billion cubic meters to West Europe beginning in the mid-1980s.

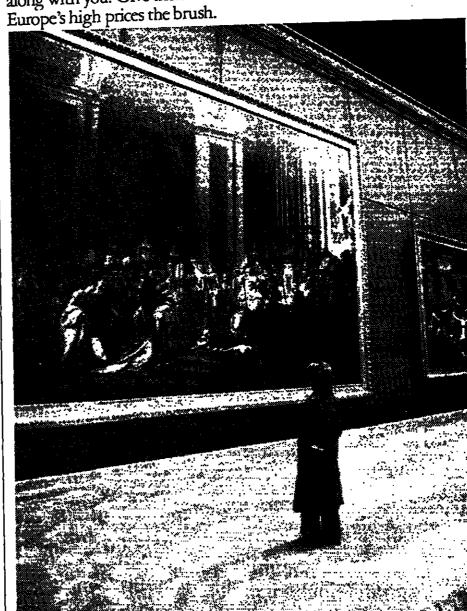
But Klaus Liesen, the Ruhrgas chairman, said at a news confer-

Soviet Satellite Launched

MOSCOW - The Soviet Union on Sunday launched another space research satellite, Cosmos-1375, which is circling the Earth every 105 minutes, Tass said Monday.

# Give the folks back home a picture of Europe and save enough on the call to paint the town.

When you're having the most colorful trip of your life, let your family and friends have a "look" right along with you. Give them a call. But first, check out all the money-saving tips below, so you can give

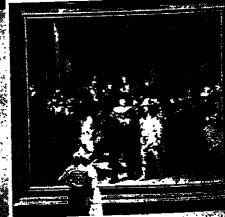


**Bell System** 

Save on surcharges. Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

There are other ways to save money. Save with a shortie. In most countries there's no three-minute minimum on selfdialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. And you pay for the callback from the States





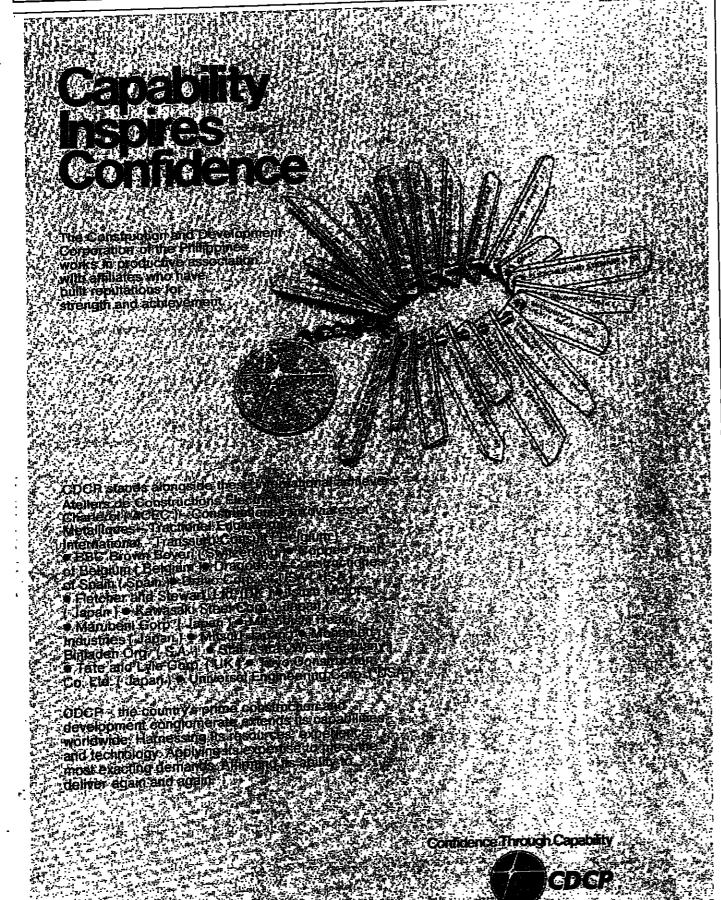
Cranes

Bulk H

with dollars, not local currency, with get your next home or office phone Save these other ways. Telephone Con-

pany Calling Card and collect calls and placed in many countries. And with are, the hotel surcharges on such customs usually low. Or, you can avoid surch altogether by calling from the post office of from other telephone centers.

Save nights & weekends. Always check to see whether the country you're the lower rates at night and on weekeride Usually the savings are considerable. Now you have the whole picture.



CONSTRUCTION & DEVELOPMENT CORPORATION OF THE PHILIPPINES

Annal Land

Tierre Factors Building, 335 Buennis Avanne Entirescriptiones, Netro Menis, Philophies, MCC P.D. Box 1953, Zpc Code D-778 a Cable Althress: COCP Manis McCe P.D. Box 1953, Zpc Code P.M. 45918 CDCP P.M. ETPT 54148 CDCP P.N. Felext Globa Mackey FT. 45538 CDCP P.N. 45918 CDCP P.N. 57916 50 50 10 78

# Khorramshahr in Ruins After Defeat of Iraqis

nits with high school of as significantly higher to the circumstage of white the circumstage of the circumstage o

excensive the beautiful and the second secon

Gunfire Repor In Korean Dig SEOUL — North mix ea again exchanged see that across the discount of the control A ministry spokesate North Korean troops to treat South Korean to the acceptance of the acceptance of

Notean soldiers read in April North Konstantial number of st were killed or minnia Toss-border gun bath & ad Nations Command & Korean officer was the soldier wounded the tepped on mines in the zed zone last mont la of fire followed when he an guards staned to 4 Killed and 41 L In Austria Traisle L rates Press become VIENNA - AI kaik

angli e pobee reported 🗺 The accident occurs radicopal station of late Jovat 19 maks (Nibb south of Vienna, wherein had been balted becase fact in its brake sisten Europea

were killed and the

some entically, who the sesger train crashe c

Rome-Vienna curs !

ds have a look of Delow SO HOUCOF



Iraqis just over two weeks ago, is a wasteland of rubble, minefields and abandoned trenches. Virtually no building has escaped destruc-tion. There is no life in the ruins. In October, 1980, the Iraqis won energed of the main part of the city in house-to-house fighting. They lost it, and possibly the war with fran, in the 48 hours of May 23 and 24, even though they had turned it into a fortress with a warnea of defensive positions and underground passages connecting ru-ined houses beneath the protection of the debris of the upper floors. In the end, the approximately 30,000 Iraqi troops in the city windrew without making a stand in the fortified center of the town.

New York Tomes Service

This once-bustling port city, which Iranian forces recaptured from the

KHORRAMSHAHR, Iran

which is on the northwestern side of the Karun River. Munitions. hand grenades and other equipment were left behind.

The Iranians assert that they took approximately 13,000 prisoners and that about 2,000 Iraqi soldiers were killed or wounded, some drowing as they tried to escape by swimming. The others escaped into Iraq over platoon bridges across the Shatt-al-Arab waterway,

which divides the two countries at

Quick Victory Shows Iran's Army Is Now Well-Led, Efficient Fighting Force damaging defeats in other northern sectors — first in the Dizful area in the northern part of Khuzistan province and then in the Ahwaz region in the middle of the province. In both offensives the Iranians managed to surprise the

Iragis.

The Iranian operations officer here, Lt. Col. Nasser Mossichi, said Iranian forces also surprised the defenders in their final assault when, led by Revolutionary Guards, they overran the Iraqi po-sitions that protected the northern approaches to the city. The colonel said the Iraqis did not think the armored defense line could be

The unexpectedly rapid Iranian victory at Khorramshahr, which once had 200,000 residents, confirmed what Western military experts in the region had been saying for several months: The Iranian Army, which had been decimated and thrown into confusion after the fall of Shah Mohammed Reza Pahlavi, had re-emerged as a wellled, technically efficient fighting

The army, moreover, has found a way to combine its technical skills with the unorthodox lighting methods of the untrained fanatical members of the Islamic Revolutionary Guards, who hurl them-

The Iranian victory here came as selves at enemy tanks firing at "When the Iraqis attacked, we the Iraqis had suffered morale- close range with armor-piercing, practically did not exist as an rocket-propelled grenades, "The war has been good for us," said Col. Hussein Shebni, an officer who accompanied journalists on a visit to Khorramshahr.

> Costa Rica to Tighten Controls on Refugees

> > The Associated Press

SAN JOSE, Costa Rica - The Costa Rican government has an-nounced it will strengthen controls over the estimated 220,000 foreigners living in this Central American country long known for liberal ref-

Public Security Minister Angel Edmundo Solano said Saturday that an estimated 60,000 illegal aliens will be subject to deportation if they refuse to apply for neces-sary documents. He added, however, that Costa Rica will continue to recognize refugees from political

Florida-Denmark Flights

Miami - Air Florida will begin weekly flights between Miami and Copenhagen on Oct. 1.

army, but they forced us to reorganize and fight."

A Revolutionary Guard in partial military dress also briefed visitors. His style was in stark contrast to the clipped reports of the pro-fessionals. He told in almost lyrical detail how "the brothers," helped and protected by God, ran up to the Iraqi lines and overwhelmed the enemy without regard for their

The army and the Revolutionary Guards have a joint command, an officer said. He said the professionals worked out the strategy and drew up the plans and then discussed them with the leaders of the Revolutionary Guards. In the end, he said, it was the leaders of the Revolutionary Guards - not the army officers - who gave orders to the guard members.

The victory of Khorramshahr has boosted the morale of both the professional soldiers and the guards and has heightened their hopes that the government in Tehran will let them strike at the Iraqis across the border. "We cannot stop here," one of the young guards said. "To Karbala without a

passport," shouted a group of Rev-olutionary Guards at the foreign

Karbala, a holy shrine for all



Shiite Moslems, is about 80 miles (128 kilometers) south of Baghdad, the Iraqi capital, and the Shiites of Iran complain that even in times of peace it was difficult for them to go there to worship.

An army officer said Iranian forces "will take Basra in less than five days if the government asks us to do it." Basra, the Iraqi port city of approximately 2 million inhabitants, is about 25 miles from

# Songwriter Leon Rene Dies at 80

LOS ANGELES — Leon Rene, of American illustrators, it was his paintings of Western scenes for the "When the Swallows Come Back to Capistrano," died May 30 of heart disease.

enough to put him in the first rank of American illustrators, it was his paintings of Western scenes for the Post and other publications that had the most influence on his had the most influence on his part disease. 80, composer of the 1939 song "When the Swallows Come Back to Capistrano," died May 30 of

Each March 19, St. Joseph's Day, Mr. Rene was the honored guest at the San Juan Capistrano mission in California, joining scores awaiting the return of the swallows from South America. He also wrote Louis Armstrong's theme song, "When It's Sleepytime Down South," and in collaboration with Clarence Muse and his older brother. Otis, "Gloria," "Someone's Rocking My Dream-boat," and "I Left My Sugar in Salt Lake City."

## Harold von Schmidt

NEW YORK (NYT) - Harold von Schmidt, 86, a painter whose magazine illustrations helped spur a renewed interest in Western 2rt. died last Thursday at his home in Westport, Conn.

An illustrator who worked in oil. Mr. von Schmidt did most of his work for the old Saturday Evening Post, giving visible form to such fiction characters as Tug Boat Annie and Captain Horatio Horn-

blower.
While these and such commercial work as a series of historical paintings for the John Hancock In-surance Co. would have been

younger colleagues.

Roger Bonvin SION, Switzerland (AP) — Roger Bonvin, 74, a two-time president of the Swiss confederation, died

An engineer and avid mountain climber, Mr. Bovin was elected president of the seven-member federal Cabinet in 1966 and 1972. Executive authority is exercised by the Cabinet, whose members are elected by the national assem-bly. The assembly chooses a Cabi-

## Ranking Saudi Official Visits Southern Yemen

ADEN, Southern Yemen - Saudi Arabia's interior minister, Prince Nayel Ibn Abdel Aziz, ar-rived here Monday for a rare visit signal a thaw in relations.

Prince Nayef, a senior member

of the Sandi ruling family, said he hopes his visit will strengthen bi-lateral relations, which have been strained since Southern Yemen signed a treaty of friendship and cooperation with the Soviet Union

Booth, 49, a former writer for Time and Newsweek, died Saturday.

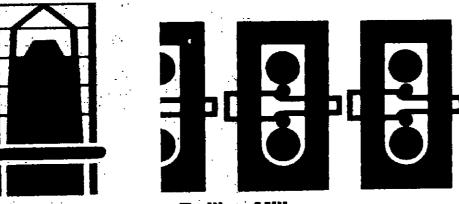
Mr. Boeth, whose name was pro-

nounced Booth, won several awards, including the New York Newspaper Guild's Page One Award for national reporting for a 1977 Newsweek cover story entitled "Is America Turning Right?"



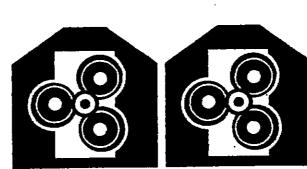
# **MANNESMANN**

# Machinery, and Systems



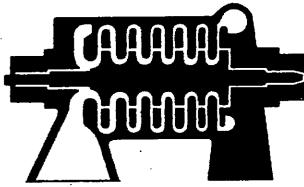
**Rolling Mills** Integrated plant, blast furnaces, steel mills, continuous casters, electrometallurgical plant.

Rolling mills for beams, sections and wire-rod; strip and sheet mills, strip processing lines.



Pipe Making

Plant and machinery for the production of seamless and welded tubes and pipes. Hydraulic



Mannesmann Demag, your partner

mechanical engineering and plant

construction. With a broad financial

and a future-oriented research and

**Mannesmann Demag AG** 

development programme for new

Postfach 10 01 41, D-4100 Duisburg 1

with experience in all matters of

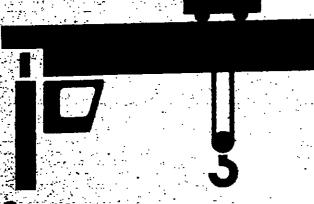
base, world-wide sales network

Compressors

products.

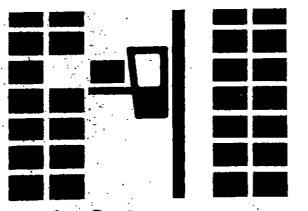
Fed. Rep. of Germany

Centrifugal compressors and positive displacement machines for air and technical gases.



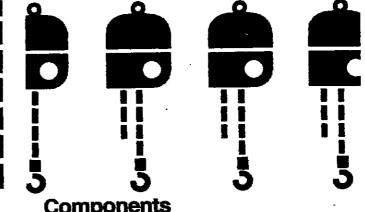
Metallurgical Plant

Overhead cranes, slewing cranes and jibs, suspension cranes and track systems, and steel mill cranes.



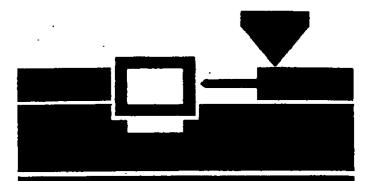
Distribution Systems

Materials handling and warehousing systems, continuous handling equipment, order pickers and rack feeders.



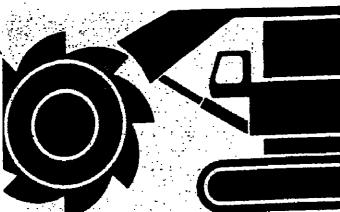
Components

Electric lifting tackle, standard crane components, load lifting attachments, drive and control components.



Plastics Machinery

Machinery and complete systems for injection moulding and extrusion.



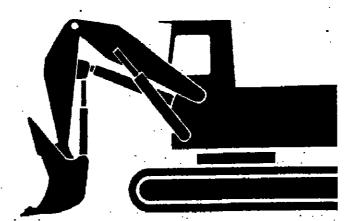
**Bulk Handling** 

Bucket wheel excavators, reclaimers and belt conveyor systems, container handling systems.



Mining Equipment

Shaft winding equipment, tunnelling machines for hard and soft rock. Compressed air motors.



**Construction Equipment** 

Hydraulic excavators up to 270 t, mobile cranes up to 800 t, road finishers up to 12 m.



**Pneumatic Systems** 

Compressors, pneumatic tools, equipment and components for the building trade and industry in general.

# Israel Enters Lebanon

# An Achilles' Heel

# **Policing Needed**

There is a tragic inevitability to the breakdown of the year-old, American-arranged cease-fire in southern Lebanon. Palestinians know - the world knows - that the Israelis have an Achilles' heel: They cannot abide the murder of their people. That gives an extraordinary power to the lone gunman. Someone setting out to kill Israelis can be reasonably sure that the response will be not long in coming and that it will entail an impressive display of state power, with all the tangled military and political consequences that such displays entail.

Last Thursday in London an Arab assailant fired a bullet through the head of the Israeli ambassador. This created a certain embarrassment for the PLO. It claims to represent all Palestinians, but it tends to be selective about accepting responsibility for acts of Palestinian violence. In this instance it denied responsibility, saying cynically that the shooting "served Israeli and not Palestinian interests." In Beirut, meanwhile, the PLO's number-two official, Salah Khalaf, speaking after Israeli planes had retaliated by bombing guerrilla positions, dropped all pretense of civilized demeanor and declared: "We will hit civilian targets in northern Israel." Heavy shelling of border settlements followed, and then came Israel's strike north for the stated purpose of ensuring that Palestinian units will no longer be able to fire longrange artillery shells into Israel.

Unquestionably, the Israelis have a right to protect their people. The British have just gone 8,000 miles to assert the same principle. Many observers, including the Reagan administration, had understood that Israel could not be expected to let its border towns be indiscriminately shelled, and the United Nations border forces had been unable to still the PLO's guns. The hope must be that as few civilians as possible are touched by the violence and that the Syrians do not let themselves be drawn into what Israel regards as a limited operation against the PLO.

Increasingly, the Lebanese are coming to the position that the undigested and undisciplined Palestinian presence is the root cause of Lebanon's agony. The purpose of diplomacy now should be to get the Israeli Army out of Lebanon, and the PLO's forces and the Syrian Army, too.

In time, one hopes, a new cease-fire will be installed, and then there will be an argument over which of poor Lebanon's numerous foreign occupiers should depart. The core prob-lem — that of Israeli-Palestinian coexistence — will remain. Among both Israelis and Palestinians now, the leadership and the dominant popular mood seem to give priority to military confrontation over political ise. At least as long as that holds. they will both continue to suffer the bitter fruits of their terrible, unnecessary feud.

THE WASHINGTON POST.

The scene of battle changes, but the nature of the Israeli-Arab conflict does not. So long as it is denied secure boundaries. Israel will pursue a chimeric security in an ever wider arc of territory, buying time and breathing space by means that inflict new wounds of Arab grievance. Israel can be condemned, and perhaps restrained, but that will only nourish its anguish and defiance.

Peace is the issue, not Lebanon. There is no Lebanon or plausible plan to revive it. A world that tolerated Lebanon's disintegration, its occupation by Syria and its collapse into quasi-feudal baronies speaks nonsense when it pleads for Lebanese "sovereignty" or "territorial integrity."

Israel lived in notable harmony with a roperly functioning Lebanon until 1975. When it was dismembered, Israel staked out a 25-mile-deep zone to the Litani River as vital to the security of of its northern towns and villages. When Syria failed to prevent the PLO from amassing rocket and artillery power in that zone, Israel itself took on the job. Its means have varied, its purpose has not: to move the PLO weapons out of range and, periodically, to deliver a more lasting blow to the Palestinians' growing military capacity.

Also not at issue is Palestinian terrorism in faraway places. The foul attack on Israel's Ambassador to Britain was only a pretext for a long-planned strike into Lebanon. What delayed it for many months was not the lack of provocation, or American dissussion, but disagreement among Israeli leaders about whether the growing PLO arsenal was worth the casualties of a ground assault.

And now that Israel has decided to pay the price, the issue is no longer restoration of the American-sponsored cease-fire of last July. Israel will not soon vacate the region - as it did after 90 days in 1978 if no other force appears to clear it of PLO rockets that sail easily over the heads of a few United Nations observers.

Israel is probably wrong to believe that it can long cripple PLO forces so energetically supplied by Libya, the Soviet Union and other patrons. It has surely been wrong to confuse deep security concerns, to the north and east, with an ideological drive to absorb the West Bank and Gaza and their hostile populations of 1.4 million Arabs. But it was never reasonable to expect Israel to leave the Galilee hostage to an unfettered PLO army within rocket range.

A much more elaborate cease-fire and policing mechanism will now have to be found if Israel is to retreat again. And it will have to be found before the pressures for retaliation build in Syria. Israel struck at a time of unusual strain and division in the Arab world. But in this unending war, every of time or territory has created its own new imperatives. It is a tragic spiral.

THE NEW YORK TIMES.

# BOSTON — In launching its large-scale invasion of Lebanon, Israel rejected urgent pleas

from among others its principal supporter, the United States. Prime Minister Begin and his colleagues did so because they be-lieved the move into Lebanon

offered compelling opportunities.

A minimum objective of the invasion, code-named Operation Peace for Galilee, is to free that northern part of Israel from PLO rockets and shells. The Israeli am-bassador to the United States, Moshe Arens, put it that the attack had "a clear-cut single mission: pushing the PLO out of artillery range of northern Israel."

A broader aim is to knock out the PLO infrastructure in Lebanon. The idea of an invasion has

been discussed in Israel for months. A major argument was the hope of destroying the PLO's military power once and for all.

Finally, the invasion could fit into the more ambitious strategy of Defense Minister Ariel Sharon. He believes military action in Lebanon could have decisive political effects, forcing the PLO to move into Jordan and give up hope of a state based in the West Bank. which would become part of Israel. If one looks at the invasion in those terms - coldly, as a matter of military and political advantage - was it a wise move for Israel? I think not. The means and ends are skewed from reality. The costs

may be dangerously high.

By Anthony Lewis

Two Views: • The Onslaughts Are No Solution

To protect the Galilee from rockets and shells is essential. But the best method of doing so is the one that U.S. envoy Philip Habib terms of keeping northern Israel free of artillery attacks, that arrangement has been successful.

ed, the PLO did not respond. After another bombing on May 9, there was a limited response: about 100 rockets that Israel said caused no damage or casualnes. Then, after the massive Israeli bombing last

week, the PLO responded with full-scale barrages.

For nine months not a rocket or shell was fired by PLO gunners into Israel. When Israeli planes bombed Lebanon on April 21 for the first time since the truce startnor forces opposing them, suffer-ing enormous casualties, but they survived, their determination if anything heightened.

points in the same direction. The

# • No Comprehensive Settlement Is Possible

WASHINGTON — A tempest of rhetoric W is proclaiming both the death of the Camp David peace process and a pressing need for a comprehensive approach to replace it. Yet a comprehensive Arab-Israeli settlement, for reasons outside American and Israeli control. is not possible at this time. If Washington fails to base policy on this reality, it will endanget the partial peace already achieved in pur-suit of a panacea that cannot be.

The Egyptian-Israeli agreement - at its simplest level an eschewing of war — stands on its own because both countries want and need it. It remains a partial peace not because of shortcomings in the Camp David accords but because Syria and the PLO, and probably Jordan and Saudi Arabia, do not want or need reconciliation with Israel badly enough.

The Syrian government, embattled and un-popular, needs continued antagonism with Istael to legitimize itself at home and abroad. At heart, the PLO is revanchist and irredentist; its moderate talk for Western consumption is just that — dissimulation. Opportunities for genuine movement still set in motion the classic, violent dynamic of intra-Palestinian politics: Gunmen enforce their rule.

King Hussein of Jordan is obsessed with regaining control of East Jerusalem. As with the Syrians and the PLO, the issue has become a canon of ideology and political legitimacy. The Saudis have difficulty abiding the idea of a permanent Jewish state. Their rapid mod-

By Aaron Rosenbaum ernization has not translated into a weakening

of their religious antipathy toward Israel. No U.S. diplomacy can alter these facts, nor the reality that Arab obduracy is reinforced when the Arab states operate as a group.

U.S. policy must also recognize that the school of thought that argues for the need to quickly include Syria, Jordan, Saudi Arabia and the PLO in the peace process is faulty. The conflicts that beset the region — between Iraq and Iran, Syria and Iraq, Saudi Arabia and Southern Yemen, Morocco and Algeria — owe nothing to Israel or the absence of a Palestinian state. Termination of the Arab-Israeli dis-pute, while a noble ideal, would not diminish another major source of instability: growing international rebellion against corrupt, repressive or feudal regimes. Nor do Arab-Israeli relations affect the price or production of oil. It has been said that the Camp David ac-

cords have two components — the peace treaty and the autonomy agreement — and that with-out expansion of the first and implementation of the second, the entire process will collapse. This is wrong on two counts.

This is wrong on two coints.

First, although not without dissent, Egypt acts on the belief that a separate peace, if necessary, is preferable to fighting Arab wars to the last Egyptian. The alternative would be politically and economically ruinous.

Second, the Camp David process really has a

In short, the cease-fire kent the

Galilee safe until Israel bombed negotiated last July: a cease-fire Lebanon. The argument that ag-between Israel and the PLO. In gressive new military action was needed to keep the rockets out turns reality upside-down.

The idea that a single powerful

Recent Middle East history

# third element, institutionalized by Anwar Sa-

dat and essential to achievement of the other two: Egypt's acceptance of the need to recognize Israel, negotiate with it face-to-face without preconditions and deal with it as an equal. This defines the single standard of Arab moderation, and it is in this reality that American ca has its greatest political investment.

It is Arab rejectionism, not Menachem Be-gin's philosophy, that is the obstacle to broader gni's philosophy, that is the obstacle to broader peace. Instead of pondering ways to "deliver" Israel, America must place the onus for lack of further progress solely upon Arab states that refuse to sit down and negotiate. A U.S. policy that fails to do this will put control of the peace process into the hands of those who oppose it. It will also send a signal to Arab radicals and the Soviet Union—and Egypt—that America is inconstant and ambivalent and lia-America is inconstant and ambivalent, and liable to abandon what has so far been achieved. If the United States makes it unambiguous

that despite its long-term desires, it recognizes the polarization of today's Middle East and, with no better alternative, will stand by the Egyptian-Israeli peace and indefinite continuation of autonomy talks, it will eventually elicit from sobered rejectionist Arabs the selfinterested moderation that a genuine, comprenensive settlement requires.

The writer heads a consulting firm that specializes in international affairs. He contributed this comment to The New York Times.

PLO has been repeatedly bloodied, but after each defeat it has acquired more sophisticated weapons and become more dangerous.

There is no reason to think that the Soviet Union would refrain now from rearming a battered PLO. One of the obvious risks in Israel's attempt to crush the Pales tinians in this campaign is that it will draw the Soviets more deeply into the Middle East in the long run - or sooner, if there is conflict between Israel and Syria.

Sharon's vision is the most dangerous fantasy of all. No one familiar with the thinking of middleclass Palestinians can believe they would willingly accept Jordan as a homeland. The Sharon plan would mean incorporating 800,000 West Bank Arabs into Israel against their will, or putting pressures on them to move to Jordan.

The fact of the invasion, whatever its intention, threatens the fragile beginnings of understand-ing between Israel and the Arab world. The relationship with Egypt will be strained. Those Palestinians

who have spoken out for peace with Israel will be silent. All this views the Israeli inva-sion, as I said, in terms only of military and political advantage. But there are human factors, too. Israeli spokesmen said the heavy

bombing in Lebanon was in retali-ation for the shooting of Ambassa-dor to Britain Shlomo Argov, which they attributed to the PLO. The terrorists may well have come from some extremist faction that has killed not only other Israeli diplomats but PLO representatives as well. But assume they acted for the PLO itself. Would that justify air raids that have killed hundreds of people, many of them children and women, few of them traceably

connected with terrorism? The attack on Ambassador Argov was horrible. After Munich and Maalot, to mention only two examples. Israel must not and will not take terrorist outrages in si-lence. But to respond with such unselective and disproportionate violence cannot serve the spirit of Israel, or its true security.

©1982, The New York Times

## ginning of a new "process" of cooperation that could have long-lasting effects in the damage the franc has sustained from bringing the economies closer together. The details of how this will be brought

PARIS — What did the Versailles conference do to end the worst slump of the postwar period? And how did it change the outlook for a decade of stagnation with high unemployment, high interest rates and sluggish growth, which so many business executives, economists and unemployed workers fear?

The short answer seems to be, "Not much." Unfortunately this international economic conference never really came to grips with those questions.

President François Mitterrand stressed jobs and offered a kind of socialist supply-side economics, putting his emphasis on the use of high technology to provide the impetus for stronger growth. But where Mitterrand favored government intervention to push the new industrial revolution along, most of the others believed that this should be left to the private sector. To the credit of all the leaders here, they

did recognize that it would be extremely difficult for any one country to pursue ex-pansionary policies if others were pursuing programs of austerity. In fact, expansionist France is being forced back to austerity by

the effort at expansion in one country.

Now the seven hope to advance, and simultaneously hold inflation down, by working more closely together. They also mean to work with the International Monetary Fund, subjecting themselves to the surveillance of the fund over their national economies. This is already required by Article 4 of the fund's articles of agreement. The conference participants now mean to deal with the IMF not just

one-on-one but as a group. However, the United Sta Versailles that it would retain autonomy over any actions it would take, whether or not they were recommended by its partners or the IMF. Other countries are just as unwilling to surrender their sovereignty to the fund or to each other. Yet Treasury Secretary Donald T. Re-

By Leonard Silk gan stressed that this summit was the be-

What Has Versailles Done About the Slump? Not Much

about remain to be worked out, but the Reagan administration may indeed have taken a step that could lead to common actions on the economic front.

The Reagan administration - and future American governments - could find itself being educated by its foreign part-ners, where it prefers to light off its domestic critics for political reasons.

How far Washington has gone in agree-ig to work for a more stable exchange rate system is moot. As Undersecretary of the Treasury Beryl W. Sprinkel, the ad-ministration's main operating officer on international monetary policy, emphasized here, all the Reagan administration has done is say it would engage in a study of the role of intervention in the foreign

would take at least a year. He said his own data indicate that intervention in exchange markets would do more harm than good.

But Regan put a strongly positive inter-pretation upon the international monetary measures to which the United States had agreed. "You recall," he told a news conference, "that it's been over 10 years since the United States went off the gold standard and since the last of the Bretton Woods agreements for fixed currencies were abandoned. This is the first step back toward some kind of rates that will have a reasonable adjustment to each other."

Regan said there were many ways to do this, and no one way had been selected.
"But," he added, "this is the first time we got started on a joint monetary policy." The Versailles conference walked up to some big problems, and mostly walked around them, anxiously. The conference did no harm that one can discover. But the question remains: Did it do any good?

©1982, The New York Times.

# Other Editorial Opinion

## Too Impossible an Item'

[Israel] is relying on Arab disunity in emphasizing its determination to solve the Palestinian problem by arms and by military occupation. And by "solve" it simply means in this context "prolong for several years."

The likeliest outcome at present is the expansion of Israel to occupy all Lebanon south of the Litani River and possibly territory farther to the north. When that happens, a threat to Israel's security will, for the time being, have been reduced. But Israel will then be four times an occupying power.

The sad fact is that peace with the Palestinians seems to Israel too impossible an item to put on the agenda.

— From The Guardian (London).

Syria's decision to oppose the Israeli aggression was reinforced by the engagement of Syrian forces [Sunday] in a duel with Israelis. — From Radio Damascus.

It is now clear that the United States had condoned Israeli policies of aggression in the Middle East.

- From Tishrin (Damascus).

The United States and Britain The security and prosperity of Britain in the modern world depend in considerable measure upon the relationship that the United States has with Western Europe in general and with [Britain] in particular. In one sense it is unfortunate that [President Reagan] should be coming here immediately after the fiasco of the American vote at the United Nations. In another sense it is good that he should be, because the muddle between Mr. Haig and Mrs. Kirkpatrick has brought into the open British anxieties over the attitude of the United States that have existed in greater or lesser degree since the Argentine invasion - and it is healthy that between countries with as long a record of deep friendship as Britain and the United States anxieties should be discussed openly.

If the United States were now to expect the British government to agree to terms that would be likely to lead after a period of time to the islands being transferred to Argentina, that would show that Washington had little understanding of the country that it regards as its closest ally.

-From The Times (London).

# When 'Cowboy' Becomes 'Dove'

Was President Reagan ever a saber-rattling cowboy and has he really changed overnight into a dove of peace, or are we merely seeing the adjusting by the media of an image they themselves had built up?

This business of creating an illusion and then modifying it as deemed necessary is a dubious one, and, although in the present case part of the fault lies with Soviet propagandists and the hysterical outpourings of their left-wing mouthpieces in the West, it is something that should never be left out of account by the attentive observer.

From the Newe Zürcher Zeitung (Zurich).

President Reagan has one big thing going for him: He was able to announce before he left that the United States and the Soviet Union will reopen strategic arms control negotiations on June 29. He also affirmed that his administration will abide by terms of the SALT-2 treaty, as long as

the Russians do likewise. There will still be anti-Reagan demonstrations in West Germany, and perhaps elsewhere, but these two steps - plus a toning down of the presidential rhetoric - should go a long way toward defus-

ing the nuclear issue. As the White House knows full well, however, the content of the communiqués is not as important as the impression that Reagan makes on the people of Western Europe, who are still inclined to look on him as a movie cowboy who somehow became president of the United States.

- From the Los Angeles Times.

# June 8: From Our Pages of 75 and 50 Years Ago

## 1907: Denouncing Use of Heroin

PARIS — Heroin is more and more frequently used as a substitute for morphine, and there are now aimost as many heroinomaniacs as morphinomaniaes. This is to some extent the fault of doctors, who have used heroin instead of morphine for producing sleep and soothing pain, asserting that it is less dangerous than the latter. Experience has proved that it is nothing of the kind. Dr. Paul Duhem has demonstrated that one acquires the habit more quickly and when it is acquired its suppression is fraught with danger, leading to grave syncopes that are not remedied by an injection of heroin. Dr. Duhem regards heroin as absolutely condemned.

## 1932: Celebrating the Sidewalks

PARIS -- Paris is celebrating the 150th anniversary of the sidewalks that were first laid down in the rue de l'Odéon - marking not only the beginning of more comfortable living here, but also in cities throughout Europe that followed its example. Prior to June, 1782, Paris was hardly the city of light that it now is. According to the chronicles of the times, it was a city of sewers, the sewers being the public streets. It was due mainly to the filthy streets that Louis XIV decided to transfer his court to Versailles, where the air was pure. Now that pigs no longer wallow in the streets. Parisians can sit at their favorite sidewalk café table and sing in complete comfort.

# Young West Germans **Are Wary of America**

By David Kramer and Glenn Yago

Germany this week, like past presi-dential visits, is intended to demonstrate the U.S. commitment to that country's security. But many West Germans today are

deeply ambivalent about America.

Despite anti-Reagan demonstrations, many West German analysts, drawing on public opinion polls, see no problem of anti-Americanism — merely disagreements with the Reagan administration. A deeper look, however, indicates that there is such a problem.

Our analysis of opinion surveys and the press and our interviews with West Berlin senators show that more and more West Ger-mans, particularly those aged under 40, feel that their country's interests diverge from America's. The younger the people, the less they support the Atlantic alliance, the more popular are proposals for independent European policy and for West Germany to become a world power that does not subordinate its interests to America's.

Although 50.2 percent of West Germans perceive a possible Soviet threat, only 39.6 percent of those born after World War II fear the Russians. Generational perceptions of U.S. foreign policy differ greatly. Among younger West Germans, doubts about America's leadership ability and suspicion that America is promoting a new cold war are about 10 percent

above the national average. While most West Germans feel that foreign policy is motivated by interest in preserving freedom and democracy, the postwar generation takes a more cynical view that America uses foreign policy to compensate for failures in the international economic marketplace.

For the first time since 1945, many in West Germany do not equate the American military presence with their own security. The rapid deterioration of support for the NATO decision to deploy intermediate-range nuclear missiles while negotiating about them is greatest among younger people, who are convinced that the allies defense policy limits nuclear confrontation to Europe. (Nationally, on average 53 percent support the decision, while only 40 percent of younger West Germans do.)

The postwar generation thinks that American missiles are more of a threat than protection. While 43 percent of the whole population

STONY BROOK, N.Y. — thinks missiles promote security, Ronald Reagan's visit to West only 31 percent of younger West

Germans believe so.
The image of a United States beset by economic decline, limited social opportunities and excessive materialism, and given to interven-tionism in the Western Hemi-sphere, has increased rapidly in recent years, especially among young adults. America's domestic problems are seen by 38 percent of the postwar generation as barriers to

its claim to world leadership. Anti-Americanism takes form of emotional criticism of the Reagan administration, specific Reagan policies and America as a metaphor. It accompanies a per-ception that West German and U.S. interests diverge so radically that a military alliance has become

undesirable or even dangerous. Something is decidedly amiss in relations, and a change in the par-liamentary political alignment in Bonn would not automatically alter this situation. The undeniably nationalistic elements of anti-American sentiment in today's West German politics might then take economically and politically

threatening forms. Cabinet policies that radically diverge from deeply held beliefs cannot be practiced indefinitely in a democratic West Germany. Antialliance sentiment represents mi-nority thinking, but the minority is

significant and growing. The question is whether pro-Americans can maintain public confidence in an alliance with the United States, and this depends both on what policies Washington pursues and how it presents them to the world.

Of course, anti-Americanism and problems of U.S.-West German relations prodate the Reagan administration. There have been deeper forces at work, including America's economic decline, the eastward tilt of West German trade and energy interests, and Washington's knee-jerk reactions in foreign policy. Unless both sides strive to reconcile divergencies "34 years of West German-U.S. friendship" could become a threadbare platitude — or worse.

David Kramer is professor of so-cial policy at the School of Social Work in West Berlin, Glenn Yago is assistant professor of sociology at the State University of New York at Stony Brook. They contributed this comment to The New York Times.

# For a Security Partnership

By Willy Brandt

The writer was chancellor of West Germany from 1969 to 1974. He is chairman of the Social Democratic Party and president of the Socialist International.

announcement that the United States and the Soviet Union will begin strategic arms negotiations at the end of the month confirms that, despite significant differences, both world powers are at last prepared to enter into a com-prehensive dialogue about security

and arms control.

Many of us in Europe now hope that this progress in the military sphere can be followed by steps to establish political trust. These efforts toward improved relations are of course of great significance for the Atlantic alliance as its leading representatives gather for this week's summit meeting in Bonn.
The global political situation

continues to provide reasons for concern. This makes it still more important that on the central issue East-West relations - the threat of nuclear destruction both superpowers have shown some signs of easing.

Progress toward a comprehen-sive dialogue could breathe new hope into the negotiations on intermediate-range missiles that began in Geneva at the end of 1981. Considerable difficulties still have to be overcome, but this new step toward understanding brings an agreement on intermediate-range weapons into the realm of the possible. American friends can hardly overestimate the importance this

issue has for Europeans. Any real progress in security would have decisive implications for cooperation within the Atlantic alliance. The trans-Atlantic tensions that have emerged in recent months derive in large part from the fact that the United States has seemed one-sidedly to emphasize a tries of our will and of our ability policy of military strength, while to maintain peace. We must be

BONN - President Reagan's its European partners, although recognizing that there have been painful setbacks, remain commit-

ted to maintaining East-West ties. Many Europeans have deplored the United States' demand for political good conduct by the Soviet Union as a condition for arms control negotiations, pointing out that an end to the arms race is equally important for both sides. Moreover, from the European perspective any quest for military superi-ority or efforts to bankrupt the other side by means of escalating defense expenditures are unrealis-tic and dangerous. In this era of worldwide economic crisis, there is also concern that significant increases in military spending will inevitably have heavy social

and economic costs. The somewhat different peace movements in Europe and the United States have voiced increasing fear of the superpowers' com-plicity in fostering the develop-ment of nuclear arms. There is mounting opposition to the in-creasingly larger turns in the spiral of defense spending, and also considerable doubt -- not only among young, possibly inexperienced peoole — about the foundations of

Western security policy.
Such fears cannot be taken lightby democracies such as the United States and West Germany, for a security policy that profoundly divides our peoples creates significantly greater risks than could ever result from renouncing this or that weapons project.

Much will depend — for all of us, both in the United States and in Europe - upon whether we can convince the citizens of our coun-

ready to examine without prejudice competent proposals for changes in the military stralith

tegies of the alliance. It will be still more important, however, that arms control no longer be considered an isolated task, independent of political cooperation between East and West. The effort to achieve detents will survive the 1980s only if the defense buildup is finally brought under control. But we will be able to end the arms race only if we can re-establish a minimum of trust be-

tween East and West. It is for this reason that many important European officials still endorse the Salt-2 treaty. It is also why so much is expected of the discussions that Secretary of State Alexander Haig and Foreign Minister Gromyko expect to hold soon at the United Nations.

But more than anything else a summit meeting between President Reagan and President Brezhnev. would hold out the possibility that the superpowers and their respec-tive allies, despite their dissimilar ideologies and conflicting inte-ests, could join in a partnership in search of international security

search of international security.

This would do more than almost anything else to strengthen the tie of friendship and cooperation between Europe and America, chininating with one blow many of the irritations and petty misunder-standings that have burdened the alliance in recent months.

It is for this reason that I, along with many of my friends in West Germany and elsewhere in Europe. hope for an American policy free of illusion, oriented toward the future and aiming at a global part-

nership of security. 01982, The New York Times.

Publisher

Executive Editor

Editor

Deputy Editors

Associate Editor

# Herald Eribune

John Hay Whitney (1904-1982) Chairman

Katharine Graham Arthur Ochs Sulzberger Co-Chairmen

Litertrastored Hecald Tribune, S.A. an capital de L.200 (000 F. R.C.S. Nemberr B 713201126 1794/18), zero Claudes de Goude, 92521 Nostilpar-Seine. Ted. 1741-1743. Teter: 0)2718 Herald. Patrs Cables. Herald. Patrs. Developed de la politicadors. Wilder N. Thopper LCS, subscription pace \$256 yearly, Second class postage part at Long latend City, N.Y. [1]01 © 1982 International Herald Tethrone. All nights reserved. Commissions Particle No. 34 231 General Manager, Asia: Alain Lecour. 24-34 Hennessy Road, Room 1801, Hong Kong, Tel. 5-28-56-18-9, Teles. 61170 IHTHIKHX

François Desmaisons

Samuel Abt Carl Gewirtz Roland Pinson René Bondy

Richard H. Morgan

Robert K. McCabe

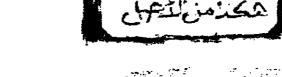
Lee W. Huebner

Philip M. Foisie

Walter N. Wells

Associate Publisher

Director of Finance Director of Circulation Director of Advertising





225 Dead and Missing in Flash Floods in South Sumatra

JAKARTA - The worst

heir will, or puning w hern to move to long. The fact of the w

ser its intention in a ser its intention of a ser its intention of a ser its beginning of a sorted. The relationship who have snot such the service in the s

sion as I said in long to

there are human facing

which they attributed as

The terrorists may not

air raids that have be

connected with langer

The attack on Andreas

and Maalot, to make

cramples land men

not take terrors one

Israel, or its true

ot Much

ele that intervention non

ould do more ham hage

You recall he told a rec

since the last of the

greemens for field or

nd med. This is the finage

ार भागते जी हाता क्षेत्राची

e adrastment tr**eadroid** 

Said Utere Veteran W

no one way had been s

ಾರದಂದೆ. "ಚಿತ್ರಕ್ಕಿ ಚಿಕ್ಕಟಿಸಲ

ស ១៦ ខ្យល់ខេ**តខាងសុខ** 

ഉസിത്തം. **ചർ താ**ർ iem angesk lææ that that our can decore be

remains Did ii வேண்ண்

*mership* 

The second

and the respondent

inder coatrol Bu me

floods to hit South Sumarra in this century claimed 225 dead and missing and left about 3,000 people homeless, a government official said on Monday.

-We have found 178 bodies but we have little hope of find-ing any survivor among the 47

people still reported missing," said Provincial Governor Sainan Saginan in the first official report on last week's disaster. The death toll is likely to stand

Mr. Saginan flew to Jakarta last week to ask for government relief for about 3,000 people left homeless by the floods and for

their rice fields and small planta-The floods swept away at least

600 houses and 10 bridges along the Ogan and Enim rivers. An official damage estimate has not yet been made public. Heavy rains pouring over South Sumatra caused the flash floods, with waters rising by sevU.S. Shifts Focus of Asia Strategy to Southeast sion and to support U.S. efforts to ven York Times Service project military power into the In-

ed in the administration's plans.

Loose Coalition Sought

The officials say the administra-

lition of Asian nations by dealing

with each directly instead of trying

The evolving strategy, the offi-cials say, culminated in Defense

Secretary Caspar W. Weinberger's

trip to Japan, South Korea and the Philippines in March, when he

tried to persuade those nations to

support it.

U.S. military resources.

to mold them into a formal group.

WASHINGTON - The Reagan administration has fashioned a new military strategy for Asia that emphasizes a shift in planning and forces from Northeast Asia to Southeast Asia and the Indian Ocean, according to administra-

tion officials. While no American forces are to be withdrawn from Japan or Ko-rea now, the officials say, plans are being made to send U.S. Navy. Marine and Air Force units based in Japan and Okinawa to the Gulf area in the event of hostilities

Moreover, U.S. forces held in reserve, such as an Army division in Hawaii, and a Marine division in California, could be deployed to the Gulf rather than to Northeast Asia as reinforcements.

To carry out that strategy, officials say, the administration is insisting that Japan and South Korea increase their responsibilities for security in Northeast Asia. The administration plans especially to turn the U.S. relationship with Japan into an active military partner-

The administration is looking to Southeast Asian nations to counter

tion with our regional friends and allies, to prevent the Soviet Union and Vietnam from expanding their

influence in the region." the guidian Ocean and the oil-producing dance says.
Officials said the biggest danger regions around the Gulf. The administration plans to strengthen military ties with Chiin Asia is the Soviet naval threat to na. Taiwan, however, is not includ-U.S. sea and air lines of communi-

cation that run from the West Coast through Hawaii, Guam and the Philippunes to Diego Garcia and the American fleet in the Indian Ocean. Vietnam adds to that threat, they said, by providing naval, air and communications bases to the Soviet Union.

To permit U.S. forces to shift their attention southward, the defense guidance says, the United States must "transform our relationship with Japan into an active defense parmership in which Japan significantly increases its defense capabilities."

About the same time, Mr. Wein-The defense guidance says the berger approved the Defense De-partment's classified strategic "guidance" for the next five years. United States will continue its long-standing policy of being willing to assist South Korea in the in which the policy is outlined more explicitly than it is in those event of hostilities and calls for importions made public. It places East Asia behind Western Europe provements in intelligence command, firepower and anti-weapons for U.S. forces there. and Southwest Asia in priority for

In Southeast Asia, the guidance Our foremost objective in East says, the United States must "fos-Asia and the Pacific is, in conjuncter the strength and cohesion of

Nations to counter Vietnamese expansionism while developing further the capacity of member countries to support the projection of U.S. power from the Western Pacific to the Indian Ocean and Gulf. Members of that association are

the Philippines, Thailand, Malaysia, Singapore and Indonesia. The strategic guidance says the United States must "maintain the strategic value of our relationship with the People's Republic of Chi-

na by supporting measured in-creases in its military capability." The plan says that "encourage-ment and, if possible, logistic sup-port will be provided to China's military initiatives that would fix Soviet ground, air and naval forces in the U.S.S.R.'s Far Eastern terri-

In the Pacific, the document says, "first priority will be to de-fend Alaska, Hawaii and connecting lines of communications with the continental United States." Next, the guidance directs, "na-

of communications" to the Gulf and will "control the East and South China seas to interdict Soviet resupply of reinforcement of naval forces deployed in the area."

WALLY FINDLAY Galleries international

ener yerk - chrosco - calm beach - beverly hill JEAN-PIERRE

**CASSIGNEUL** Recent Works

Master paintings

From RENOIR

**b PICASSO** 2, avenue matignon

Tel. 225,70,74 Wally Findlay George V Hôtel George V - 723.54.00

Elysée MACLET DOUTRELEAU - SIMBARI

31, av. George V - Paris 8 daily - 10 a.m. - 9 p.m. sunday - 7 p.m. - 9 p.m.

## Israeli spokemanik bombing in Lebana ation for the strong of dor to Britain Bank Official Gave Out Passbooks from some extreme to has killed not only to diplomats but PLO tops In South Korea for Funds He Kept 25 Well. But assume the PLO itself. Would

By Henry Scott Stokes

of people, many of bet New York Times Service TOKYO - In a further twist to billion-dollar financial scandal involving relatives by marriage of President Chun Doo Hwan, a leading South Korean bank has announced details of a \$12-million swindle by a bank manager who committed suicide, Seoul newspapers reported.

ience. But to response conselective and despense connot see to The Choheung Bank, one of South Korea's five large commer-cial banks, said that Kim Sang Hi, deputy manager of a Seoul branch, issued bank passbooks to friends and business acquaintances for a total of \$12 million in return for deposits he accepted privately at higher interest rates than the bank offered, the Korea Times said

markets — a study leigh e at least a year. Headh Mr. Kim, who hanged himself in April when his transactions were about to be exposed, is said to have been a close friend of Chang ent but a strongly posse-Yong Ja, a relative by marriage of aron the international me Mr. Chun's wife. Mrs. Chang is a to which the United See Seoul socialite and the principal figure in a \$974-million scandal inthat it's been over 10 year. volving the Choheung Bank of the Commercial Bank of Korea and d States wear off image other leading institutions in Seoul.

29 Indicted

Mrs. Chang is one of 29 bankers, businessmen and moneylenders who were indicted last week in what prosecutors called the biggest financial scandal in Korean history. The suspects were charged with offenses ranging from fraud Mr. Kim, who also ran the Wonticians, det to taking bribes, and included Kim jin group, a ramified empire of a kickbacks."

The scandal attracted vast attention in South Korea and rocked the government of Mr. Chun. Half the 22-member Cabinet was changed at a stroke. A new foreign minister, Lee Burn Suk, was appointed, and the top command of the ruling Democratic Justice Party and the Agency for National Security Planning — the former Korean Central Intelligence Agency

Linked by Rumor

were changed.

The government announced ton, will take over as chief secretary to Mr. Chun at the presidential mansion, the Blue House. But real power continues to be held by a small group of former army instaff, led by Ho Hwa Pyung, who was a former colonel in intelligence before Mr. Chun, then an army general, seized power under martial law in May, 1980.

Meanwhile, Mr. Kim, who was a deputy manager at the busy Myongdong branch of the Choheung Bank in Seoul, is linked by rumor with highly placed offi-cials and others close to Mr. Chun. Otherwise, according to the stock market rumors he could not have had the freedom to hand out passbooks for millions of dollars.

Jae Su, who was fired as president urading firm, a shipbuilding yard of the Chobeung Bank and arrest- and a gymnasium, was also reputed to be a source of funds for charity. He worked with physically and mentally handicapped people, the

press said. His illegal transactions at the bank were usually with people linked to his Wonjin interests, but he is understood to have been involved also in real-estate deals in Seoul with women investors. These people worked the money market as backers to Mrs. Chang and her third husband, a former deputy intelligence chief named Lee Chul

The scandal is important be-Sunday that Hahm Pyong Choon, cause the amounts of money in-a former ambassador to Washing-volved in even Mr. Kim's comparatively modest transactions were vast, at least by the standards of Mrs. Chang. The Choheung Bank said that its net loss was more than \$8 million, the Korea Times reported. Most of the funds he distributed so lavishly could not be recovered, the paper said.

The Choheung Bank originally said that it lost slightly more than \$1.3 million after an inquiry by bank officials and by the Office of Bank Supervision and Examination, a government supervisory body for the banking industry. The sum was since multiplied five-fold but few here seemed surprised. "Korean business is a whirl-

pool," said a foreign banker here versed in Seoul financial markets. "The constant ingredients are politicians, deals off the books and

# U.S. Veterans End Vietnam Talks With Ambivalent Feeling on Visit

By Colin Campbell New York Times Service
HO CHI MINH CITY — The six-day visit of a group of U.S. vet-erans of the Vietnam conflict has ended here, and the Americans left with a heightened awareness of the possibilities as well as the pitfalls of unofficial diplomacy.

They had come to talk with their former enemies about the fate of missing American soldiers, the chemical defoliant known as Agent Orange, the children of Vietnamese citizens and American servicemen, and the need, as they see it, for cultural exchanges. Before they left Sunday, the ver-

erans had conferred with Vietnamese officials both high and Several of the veterans remained

unsure about the accomplishments, if any, of their mission.
Nor, despite Vietnam's release on May 29 of information on several American war dead, did they know where such visits might lead or what Vietnam hopes to gain.

Thomas A. Bird, the group's leader, said that the Vietnamese, before finally opening an envelope containing a typed press release about the American war dead asked the veterans several times what they could do for Vietnam in return for cooperation on missing

**Unclear Voice** 

It was not even clear for whom the veterans could speak. All of them said they represent their or-ganization, Vietnam Veterans of America, which claims 8,000 to 10,000 members.

However, Mr. Bird and a number of his colleagues said that on some points the veterans were also ganda. telling Vietnam what the U.S. government would say if it were in their place.

According to U.S. diplomatic and military announcements, the trip was strictly unofficial, following a more modest but similar journey last December.

The veterans were briefed on U.S. policy toward Vietnam. U.S. officials wished the group luck in their talks about missing Americans and the children of American

However, the U.S. maintains that — given Vietnam's occupation of Cambodia - no Vietnamese performing artist will be issued an American visa, and they warned

Soviet Hunger Striker Says Visa Is Rejected

MOSCOW — Iosif Kibilitsky of the so-called divided families , whose members have been on a hunger strike for nearly a month to try to win permission to leave the Soviet Union, reported Monday that he was again refused permission to join his wife in West

He said Soviet authorities told him his case was not now under review and advised him to resub-mit his visa application in six months, Mr. Kibilitsky told Western correspondents. Mr. Kibilitsky, who is married to a West German; began a hunger strike May 10.

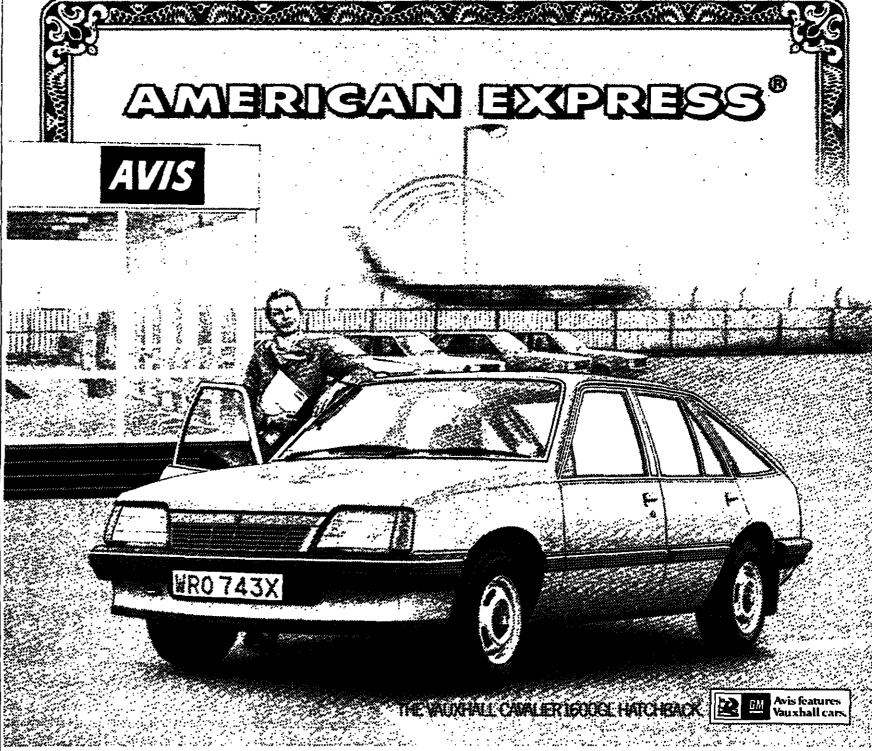
This danger centered particular ly, U.S. officials said, on Agent Orange, which has gained importance in Vietnam's public statements since the United States be gan accusing Vietnam and the Soviet Union of waging chemical warfare in Indochina and Afghani-

**Agent Orange Proposal** 

The group's lawyer said a proposal for an international scientific commission to study the possible effects of Agent Orange in Viet-nam had been submitted in draft to both the White House and the State Department. He also said the U.S. suggested changes, and these had been incorporated. The Vietnamese said they would study the

On the matter of missing Americans, Mr. Bird said the veterans' plans had been discussed in detail with Defense Department officials. One indication of U.S. interest in the trip, according to members of the group, was that they had dealt with John H. Holdridge, assistant secretary of state for East Asia and the Pacific. Later, John Gunther Dean, U.S. ambassador to Thailand, met with them twice in Parabols. in Bangkok

Mr. Holdridge was said to have told Mr. Bird and Joseph Papp, the New York theatrical producer who accompanied the veterans that the government's official position is sympathetic, cautionary and firmly against cultural ex



# Nothing is too much trouble when you rent a car from Avis.

Because we try harder at Avis we succeed a lot better. The moment you rent a car from us you can relax completely, confident that we'll never let you down. If you're delayed on your journey we'll wait for you to arrive. And greet you with a smile.

All along the line, you'll find our service smoother and more efficient. Our special Express Service saves you precious time.

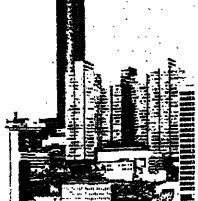
What's more, at Avis we especially welcome American Express Cardmembers. We know that American Express Cardmembers are people of importance, accustomed to competent organisation. For people going places, Avis and the American Express Card smooth the way.

Avis and the American Express Card -together we try harder.



Starting June 18

# ADDS MORE NONSTOPS TO AT



Only Delta offers you a choice of 11 nonstops weekly to America's most convenient gateway.

Delta gives you the greatest choice of flights to Atlanta. gateway to 80 U.S. cities. Leave any day at 1215, arrive at 1600. Or from June 18 until and including Sept. 5, 1982, take Delta nonstop at 1010 any Tuesday, Friday, Saturday or Sunday.

Fly in nonstop comfort on a Delta Wide-Ride TriStar. There's room to stretch out, relax. Superb dining, current-release movies. (Small charge for headsets in Economy Class.)

Save with Delta's APEX fares to Atlanta. Just £372 return until and including June 30, 1982. £396 return from July 1 until and including September 14, 1982. Check for requirements. Also ask about

Delta's discount fares for U.S.A. travel.

Medallion Service Class is Delta's special business class for much less than First Class. In-flight entertainment. Superb cuisine. Fine wines and liqueurs. And much more.

Call your Travel Agent. Or call Delta in London on (01) 668-0935 or (01) 668-9135. Telex 87480. Or call Delta in Frankfurt at 0611 23 30 24, Telex 0416233. Delta Ticket Offices are at 140 Regent Street. London W1R 6AT and Friedensstrasse 7. 6000 Frankfurt/Main.

Schedules are subject to change without notice. Fly Delta to the 1982 World's Fair. Now thru October 1982. Knoxville, Tennessee. Delta is the official airline of the 1982 Knoxville World's Fair.

**DELTA. THE AIRLINE RUN BY PROFESSIONALS.** 



By Christine Chapman International Herald Tribune

OKOHAMA, Japan — "Japan, and the West in Japanese Prints, International Exchange Exhibition," came home this spring to the Kanagawa Pre-fectural Museum after a successful show at the Walters Art Gallery in

The exhibition features woodblock prints depicting foreigners who lived in Yokohama during the late Edo and early Meiji periods, 1860-83. The prints' vigor lies in their vivid portrayals of the way Westerners appeared to Japanese eyes: fearless, purposeful and

In the final days of the Yokohama exhibition, 15,000 Japanese viewed the prints, which had at-tracted 30,000 Americans in January and February. Unless the museums of Europe follow up with an interest in the 400-print show, the prints will revert to their parent collection, the 6,000-print Tamba Collection, housed at the Kana-

"A few years ago I had the idea of doing the show in Europe, but because Maryland and Kanagawa Prefecture are now sister states, we took it to Baltimore," said museum director Eiji Toguri. "Unfortunate-ly, our budget situation is poor. To take the show abroad again we need to work on a cost-sharing basis as we did with Marvland." He said he has had inquiries

from museums in Switzerland,

PARIS - RIGHT BANK

PARIS - LEFT BANK

ATHENS/PSYCHICO

the exhibition, and the Belgian national television company is to make a film about it.

In 1984 the Metropolitan Museum of Art in New York City will present an exhibition of the early Meiji period, "the opening of civilization" in Japan, as the Kanagawa museum's curator. Yoichi Yokota, described it. That exhibition will include the "Japan, and the West" prints, which were given to the Kanagawa museum by a Yokohama businessman.

"We want to exchange art with museums abroad," said Yokota, whose hardcover English-language catalog of the exhibition includes 70 pages of color plates with a lively history of Yokohama's ukiyo-e. or prints and paintings from the "everyday life" movement that flourished in Japan from the 17th to the 19th century.

"There are many ukiyo-e in Europe and America. Yokota said, "but not many which show West-erners and Japanese together. Westerners are the subjects in the prints and, as drawn by Japanese, they appear stranger than they think they are."

The strangest-looking of all is Commodore Matthew Perry, dreaded by the Japanese for his forced entry into Edo Bay in 1853 and 1854 to open trade. Some artists drew him as viciously as Herblock drew Richard Nixon. These ukiyo-e are the popular

art of Edo Japan's common peo-

ADVERTISEMENT

**International Restaurant Guide** 

FRANCE

L'EURIPÉEN Focing Gore de Lyon, 343,99,70. Dolly from 11 c.m. to 2 c.m.

NOTILES CLUB ST.-JAMES 6 r. 29-Juillet (Rivoli). 296-57.11. Terroop, hunch, NUTILLES dinner, light suppor with Jack Dieval, from 7 p.m. to 1. a.m. Cased Sun.

PETTI RIGHE 1880 Bistro, Closed Sun, Lunch, clinner 7 p.m. to 0:15 p.m. 25

ASSISTIE AU DEURNE Menus of Fr. 35.80 & Fr. 48.50 + serv. Doily till midnicht.

LA PETITE CHAISE 36 Rue de Grenelle, 222-13-35, Menus Fr. 59, refined cutsins bistoric setting, Open doily until 11 p.m. Warm attrosphere.

DIGGURI 76, D. Vassiliau, Nea Psychico (4 km, north of Hillian). Greek food, charcool grills, fish. Toverno. Daily 8:15 p.m.-2 c.m. Closed Sun. Tel.: 6713997.

THE NETHERLANDS

TANDORD Specialty: Indian food. Tandoori, Curries, Biryani and Vegetarian. Open for Lunch and Disner, Leidseplein 19, Amsterdam 020-234415.



ple, done by reputable artists, produced in mass printings of 200, sold cheaply and distributed widely, like modern newspapers.

The news was the strange customs and behavior of the foreigners who surged into the new international port on what is now Tokyo Bay: consular staff members, missionaries, merchants, adventur-ers, and their wives and children. Direct contact with foreigners was prohibited by the government, so the artist used imagination, hearsay, and photographs and illustrations from foreign newspapers. Some artists were bold enough to make direct observations. The result is a vivacious mix of portraiture, action scenes, women's fashions and group activities, foreign-ers dining together or parading

Music-Writing Machine

TOKYO - An electronic keyboard instrument which can produce a written copy of music played on it will go on sale in July. its Japanese makers said. The device also has a choice of 10 autothrough Yokohama on their authorized Sunday stroll

Some of the artists, such as Gountei Sadahide and Issen Yoshikazu, had the gift of immediacy. Sadahide excelled in "drawings of foreigners from life" — Russians breeding sheep, an American life and the same sheep. ican lady playing an accordion — Yoshikazu did action scenes of foreign children playing on stilts, foreigners amusing themselves with music, dance and drink. Americans baking bread.

The first Yokohama ukiyopublished between 1860 and 1865. focused on people; in the second period, 1868-72, the foreigners became diminished figures set in scenes of houses and churches and Japan's first railway station. In 1866, Yokohama was devastated by the "pork shop fire," which began in a foreign meat store. As new buildings were built after-ward, the artists shifted their attention from the odd outsiders to

their intricate architecture. "Japan, and the West in Japa-nese Prints" begins with several traditional ukiyo-e. These are charming prints of old Japan, but it is the vigor of the Western intrusion that grabs the viewers' eves.

# The Onion and Its Magic Potency

CONTRITIS cepis," advised the medieval School of Salerno, "loco denudata capillis saepe fricans." Nothing looks so learned as a line of Latin, unless it is a grain of Greek, but the profound thought here presented in the august language of Augustus is that, if you rub a bald head with onion, it (the former) will sprout hair.

This is only one of the many virtues attributed to the onion. John Gerard, in his 16th-century "Herball," presented an impressive, but not complete, list of the powers claimed for the onion (not forgetting the hirsutical angle):

The onions do bite, attenuate or make thin, and cause dryness: being boiled they do lose their sharpness, especially if the water be twice or thrice changed, and yet for all that they do not lose their attenuating qualities.

snuffed up into the nose, purgeth the head, and draweth forth raw flegmaticke humors.
"Stamped with Salt, Rue, and

WAVERLEY ROOT

Honey . . . they are good against the biting of a mad Dog.

"Rosted in the embers and applied, they ripen and breake cold Apostumes, Biles and such like.

The juice of Onions mixed with the decoction of Penniroyal, and anointed upon the goutie member with a feather, or a cloath wet therein, and applied,

easeth the same very much. The juice anointed upon a pild or bald head in the sun, bringeth the haire again very

"The juice taketh away the heat of scalding with water or oile, as also burning with fire &

gunpowder. . . . "Onions sliced and dipped in the juice of Sorrell, and given unto the sick of a tertian Ague, to eat, takes away the fit in once or twice so taking them."

Hammurabi, king of Babylon, named the onion in a list of healeral Antiseptic function; combating plants that he had carved enduringly in stone. The ancient Egyptians, Hebrews and Greeks paid tribute to the onion, and the Romans, characteristically, went overboard. Pliny claimed that it cured ulcers and dissolved piles, while onion juice mixed with tennel cured dropsy, with honey ban-ished angina, with vinegar was a tonic, and with no other adjunct than water could return speech to anyone suddenly striken dumb.

The Middle Ages, the Renaissance, and even the last two centuries were enthusiastic about the onion as a medicine. "Some doctors, like Anbroise Paré [1509-1590, the same French physician Gerard cited as "Ambrose Parey"], recommended it as an antidote for poisons," wrote Lou-is Lagriffe in "Le livre des épices, des condiments et des aromates," "while others, like Lémery, [Nicholas Lémery. French apothe-cary, 1645-1715], attributed to it a multiplicity of properties, appetite arousing, digestive, good against gallstones, dropsy, scurvy, worms, deafness and for the absorption of abcesses, but it is especially as a diuretic that the onion has attracted the attention of doctors, following in the steps of Dioscorides and Platina of Cremona - who declared that

the caps is good for breaking up the phiegm in body fluids, open-ing the mouth of the veins and forcing out the urine' - and of Lieutand [unknown both to me and my library) - who found that Your onions steeped in white wine do more for the kidneys than the most energetic drugs."

Checking these sources and others, I find that the onion has been touted through the ages for bringing Abcesses to a head; relieving Albuminaria (the appearance of albumin in the urine); curing Anemia (Reay Tannahill says eating onions in excess may cause anemia) relieving the an-

ing Asthma; disinfecting animal Bites; maintaining the health of the Bladder, cleansing the Blood and lowering blood pressure; relieving Bronchitis; banishing Bruises: curing Carbuncles; absorbing Catarrh; ending Chilb-lains; curing Colic (but Rosie Maurel says the opposite); re-moving Corns from the feet; and acting as a Counterirritant.

Furthermore, onions are said to be good for curing Dealness ("take ants' eggs and onion juice; mix, and drop into the ear"); helping Diabetics (the glucoki-nine of the onion lowers the proportion of sugar in the blood); aiding Digestion (by alleviating "intestinal discomfort," accord-ing to one politely worded modern herbal; by ending "flatu-lence," says Louis Lagriffe; but Reay Tannahill, mincing no words, and backed up by the School of Salerno, wrote that it was unfortunate that beans, cabbages and onions, "the three main vegetables of the Middle Ages, should have been among the most fartable of all"); and curing Dropsy (it was reported in 1779 that one case was cured by apply-ing raw onion pulp to the lower abdomen and the soles of the feet).

Earache ("roast an onion and put in into the car, as hot as it can be borne'); acting as a general Emollient; serving as a cosmetic Face wash; dissolving Gallstones; beautifying the Hair, because of its sulphur content; imposing reason on Hangovers, when taken in onion soup; calming Headaches ("smear the brow with crushed onions"); staving off Heart trou-ble (by keeping the fat content of the blood low); reducing Inflam-mations; conquering Insomnia (Gerard thought this a disadvantage); aiding the Kidneys to func-tion; acting as a Laxative; and banishing Obstructions in various passages of the body (for instance, the blockage that produces milk leg).

Then let us not forget the claims for onions forestalling Pericarditis, inflammation of the membrane surrounding the heart; absorbing Piles; warding off barsal. Arabic for the Plague (Mahomet: "If you fear plague in a country, eat its onions after having drunk its water); curing Pleurisy; acting as an antidote to Poisons; reducing Prostate difficulties; eliminating Rashes; calming Rheumatic pains; promoting Scar formation; benefiting the skin, es-pecially when it is chapped cracked or scraped; suppressing the pain of insect Stings; reducing Swellings (including "white swellings," whatever that may have meant); relieving sore Throat; curing Ulcers; ending Whooping Cough; and expelling Worms. I find no references under the letters J, M, N, Q, T, V, X or Z.

## Potent Stimulant

It was inevitable that a vegetable credited with such potency, and cited as a stimulant, should be put down as an aphrodisiac. especially by the ancients, who sometimes seem to have thought about little else.

"Onions excited Venus," wrote Philippa Pullar in "Consuming " without going into further detail except to say that they "increased seed and milk." Martial was brutal about it: "If your wife is old and your member exhausted," he advised, "eat onions in plenty.

Oriental lore, of course, did not neglect this aspect of the onion, and was indeed so explicit that I fear I must skip what "The Perfumed Garden" reports about the effect a diet of onions had on Abou el Heiloukh In medieval times, onions were

always one of the ingredients in the various imaginative recipes given for witches' broths.

©[982 Waverley Root

# Cousteau Begins 11-Month Expedition to Study Amazon

New York Times Service R IO DE JANEIRO — The French oceanographer Jacques Yves Cousteau has left Belem on an 11-month expedition to study Amazon animal and plant

life.
The expedition, estimated to financed by cost \$4 million and financed by television networks around the world, is to explore areas that have remained wilderness since Spanish and Portuguese conquerors settled coastal areas and fertile valleys and plains three centuries ago.

in the Amazon River basin, where Cousteau and 40 Latin American scientists will use submarines, helicopters and Hovercraft to study the ecological relationship between the vast Amazon forest and the At-

lantic Ocean "If we can bring back answers to it is with men and in what extent Indian tradition of nature exploitation has influenced it, then we may be able to provide better means to develop the region," the

The major areas of mystery are 71-year-old Cousteau said in a recent interview

He said that, in return for the financial support, the television networks would receive copies of the film taken, while all the scientific results would belong to the Brazilian government.

On average the Amazon dis-charges into the Atlantic more than 52 million gallons of water per second. The river holds about one-fifth of the world's fresh water, and its outflow reaches 100

At 3,900 miles it is the second longest river in the world, only 245 miles shorter than the Nile. But its discharge is four times greater than that of its nearest rival, the Congo, and 10 times greater than that of

the Mississippi.

The Amazon basin has a network of rivers that are navigable for 16,000 miles. The total area of the basin is about 2.7 million square miles, more than twice the size of India and only a little less than the land area of the continental United States.





A great masterpiece of hotel has opened its doors to Taipei, the Far East and the world, reflecting in its style the dynamic and vibrant vitality of the Republic of China. We are becoming Asia's trend-setting hotel on the strength of our innovative ideas and classic service coupled with the traditional oriental charm.

• 705 spacious rooms and suites with all civilized luxuries and contemporary amenities. The most dazzling gastronomic complex East of Suez. • French restaurant (classic and nouvelle cuisine) • Japanese restaurant • Firewood pizza pub Moghul restaurant (Middle Eastern and Northern Indian specialities)

 Western and oriental coffee shops
 Sicilian ice-cream salon • 3 unsurpassed Chinese restaurants (Shanghai, Canton & Fukien delicacles) • Supper club • Cosmopolitan disco • Daily fashion shows with food festivals

• Pastry shop • Silver service breakfast • Three bars • 24-hour room service • Convention & banquet facilities for 2000 persons • 18 story atrium with 4 panorama elevators

• Health club, sauna, swimming pool & squash • Private executive club Shopping center with 60 shops
 And much more



Lai Lai Shangri-La Hotel

THE DRAGON IS AWAKE

12 CHUNG HSIAO EAST ROAD, SEC. 1, TAIPEL TAIWAN, R.O.C. TEL 321-5511 TELEX 23939 CABLE "SHANGTEL"

Novel Okura Chain & The Jeading Hotels of the World. 181 and Represented by Instant Hotels, Odner Hotels, Supereps International For reservations: Supereps International: London 01-242-9964, HR1 Offices: Paris 079-0000, London 01-583-3050, Frankfurt 283345, Copenhagen 192244, Milan 662702, Aviation & Tourism Services GmbH: Frankfurt 061)-582092,

# From 7 European airports, one-airline service to over 40 US cities with the American winner

The direct way Northwest Orient offers services direct to the USA from seven European departure points: Copenhagen, Hamburg. London Gatwick, Oslo, Prestwick. Shannon and Stockholm. That means you can enjoy one-airline service through one of our three US gateways -Boston, Minneapolis/St Paul

or New York - to more than 40 way to the USA - with the American winner!

The comfortable way Northwest Orient has won an international reputation for quality of service and comfort. On our Transatlantic 747s. there are sleeper seats for all First Class passengers, and Executive Class passengers have their own exclusive seating zone. plus complimentary drinks, choice of entrees and free headsets for in-flight movies and

cities throughout mainland USA. Alaska and Hawaii. Fly the direct

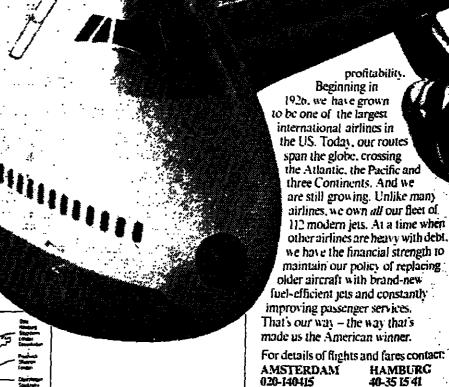
Now sleeper seats for **Executive Class** passengers

> Only Northwest Orient offers Lounge sleeper seats to Executive Class passengers. These can be booked in advance now for Transatlantic flights from June 12th.

The winner's way Northwest Orient has made itself a winner in the most demanding of all airline markets. America, through consistent efficiency and

profitability

Beginning in



Ask your Travel Agent about

Northwest Orient flights or ring

older aircraft with brand-new fuel-efficient jets and constantly improving passenger services. That's our way - the way that's made us the American winner. For details of flights and fares contact: HAMBURG AMSTERDAM 020-140415 40-35 15 41 **COPENHAGEN** LONDON

01-14 88 99 DUBLIN 0001 717766 GLASGOW 041-226 4175

OSLO 2-11 20 10 STOCKHOLM

**NORTHWEST ORIENT** The friendly, comfortable America



# VITAL STATISTICS

Monetary Unit: Peseta. Currency units per U.S. dollar, average of daily figures, 1981: 71.7.

National population, 1981 census: 37.5 million; Number of inhabitants per square kilometer: 74; Net natural increase, (1980) 278,000. Population of major cities, 1970 census: Madrid, 3.5 million; Barcelona, 1.7 million; Valencia, 654,000; Sevilla, 548,000.

Civilian employment, third quarter 1981: 11 million; By sector (percentage): Agriculture 18.1; Industry,

Production: Gross domestic product, 1980 (billion pesetas) 15,076; GDP per head, (1980 USS) 5,648; Gross fixed investment: percent of GDP (1980) 19; per head (US\$) 1980 1,080; Gross domestic product at factor cost by origin, in 1980 (percentages): Agriculture 7; Industry and construction 36; Services 57.

The General Government: Public consumption, in 1980 (percentage of GDP), 11.3; Fixed investment in 1979 (percentage of gross fixed capital formation) 7.8; Fiscal revenue, in 1979 (percentage of GDP) 22.0; General government delicit, in 1979 (percentage of GDP) -1.8.

Source: The OECD

# **EEC Issue Dominates Key Industry Sectors**

## By Vanya Walker-Leigh

MADRID — Nearly 8,000 Spanish firms in a dozen "crisis" sectors, employing more than 600,000 people and accounting for 28 percent of industrial production, are involved in a major effort to save jobs and improve competitiveness and financial strength before Spain's proposed entry into the European Economic Community begins to affect to recomm

Sectors involved include steel, textiles, ship-building, footwear and household appliances - industries that are also in trouble in many EEC countries. Considerable pressure is being applied on Spain in negotiations for EEC entry to reduce the capacity of some of these industries way below what the government considers acceptable, or politically feasible.

A decree-law of June 5, 1981, on measures for industrial reconversion set out general

principles; this was followed by a series of detailed texts on individual sectors. In each case, lengthy negotiations inside sectoral commissions took place between representatives of employers, the two leading trade unions and the Ministry of Industry on the overall approach to each sector's problems. Not surprisingly, discussions on how to reduce overmanning (estimated at about 70,000 jobs) were the

toughest.
Enrique Aldama, undersecretary for industry at the ministry, explained, "We had to use costly means to arrive at agreements with the unions - stretching out the job reduction process by temporary suspensions, rotations, making special concessions on duration of unemployment pay, severance compensation, early

retirements, voluntary departures." He added:
"But without reconversion, a good many companies, and many thousand jobs, would have disappeared completely."

The cost to the state of the overall reconversion effort, spread over the next five years, will be nearly 600 billion pesetas.

Detailed measures for each company are discussed at company, and usually industrial federation, level with labor unions, "even though the unions wanted the government to be involved at this level," Mr. Aldama said. Plans for companies are then submitted to sec-toral commissions for review and approval, but many remain to be worked out.

The most ambitious and difficult is probably the textiles plan. Apart from 10 capital-and technology-intensive companies manufac-turing chemical fibers, employing 12,000 work-ers, only about 400 of the remaining 7,000 or so firms in the sector employ an average work force of more than 60. The 1981-1986 plan is intended to reduce the 420,000-person work force by 35,000 jobs and boost productivity by 60 percent and capacity by 29 percent; the share of machinery less than five years old is to go from 23 percent to at least 50 percent. Special aids will go to improving management techniques, designs and quality. Sixty firms have submitted plans to date.

The reconversion of the steel industry will be organized under three separate plans cover-ing integrated steel, special steels and common steels, involving reductions of about 10,000 jobs in the total work force of 72,000.

The integrated steel plan adopted in 1981, (Continued on Page 10S)

# Inflation Trimmed, but Rate Of Unemployment Tops 13%

By Mark J. Muriansky

bout link else.

In medieval times, the always one of the make

the various interests

idy Amaza

At 3,900 miles nac

cagest that in the man

miles shower than the

discharge is four image

that of its neares into

and 10 ums great

for 10,000 miles. The the busin is about

w sleeper seats

Executive Class

passengers

the Northwest (Ind

कर | Localge अ**स्कृष्ट द** 

: Excelled (his

songers Theedir

and the stranger

Controller fights has

1500e 12th.

ance, who producedly

and the second second

... His make

and the state of

The state of

The Wallet

11.00

. ....

ndly. immfortible be

in the course of

MADRID — Juan Antonio Garcia Diez, a 41-year-old former economics profes-, sor, has been one of the key government figures in the Spanish economy since democracy was re-established. He has held Cabinet posts since 1977, when he became minister of commerce and tourism. He is now second vice president and minister of economy and com-

Returning to Madrid after a meeting in Paris of economic ministers of the Organization for Economic Cooperation and Development, where he took a strong stand on the side of countries that place the light against unem-ployment as a priority, he clarified the Spanish point of view: "I wouldn't say that we have decided to light unemployment at the risk of inflation. We are not making this kind of choice. While we are proceeding well in the fight against inflation, unemployment is still

In the last five years, inflation has been brought down to a more manageable rate but unemployment has soared to 13.5 percent, one of the highest rates in the OECD. Mr. Garcia Diez feels that the government can now move effectively against unemployment without refueling inflation because of the National Employment Agreement (ANE) signed last year between the unions, the government and pri-

We have got a margin for a pro-employment policy without running a risk of infla-tion," Mr. Garcia Diez said, because the ANE holds wage demands down to a moderate in-crease. This agreement expires at the end of this year, however, and Mr. Garcia Diez says that he would only favor a renewal if all parties strongly pushed for it.

"I don't believe that we either could or should maintain a policy of decreasing real wages for the period ahead," he said, com-

this policy was lowering consumption and demand for goods. "But we must try to avoid what happened in Spain from 1974 to 1980" when real wage and labor costs pushed inflation and narrowed profit margins. The vice president asserted that this trend had been

reversing since 1981. On restructuring industry for international competition, he conceded that "one of the results of this is unemployment. But another result is less unemployment even in the short term. Without this kind of restructuring, many of the enterprises we are now restructuring would go bankrupt. We are accepting a loss of employment to avoid a loss of the total amployment of these firms."

## Public Companies

Although the law that provides government aid to restructuring projects expires at the end of this year, Mr. Garcia Diez believes that the process initiated by the decree will be self-perpetuating. "This kind of process never ends. In years, Spanish industry will be very different from what it is now."

His greatest concern is what he termed "the global situation of the public sector." Economproblems have forced ever increasing itelicits in public spending. The deficit "is not so big if you compare it with other countries but probably it is more difficult to finance than in other countries. We do not have the machinery to finance this kind of deficit and what worries me most is that the trend in public deficit spending will continue."

He said that the most dynamic and dangerous parts of the deficit were payments to non-solvent public companies such as the national railroad (RENFE), rapidly growing payments to municipalities and the social security-unemployment benefits system. Unemployment

(Continued on Page 14S)



# **EEC Talks:** Tone Is Fresh, Results Few

MADRID — Compared to the way he was in the opening days of the work year in September, Raimondo Bassols, the secretary of state for relations with the European Economic Community, seems like a new man. "The situation has completely changed," he said

Negotiations between the EEC and the Spanish government had been stalemated until this year. The Common Market has always accepted the idea of a democratic Spain joi its ranks and the idea has support in most sec-tors of the Spanish population, but the specific terms of incorporating a nation with a large population, an important industrial potential and enough farmland to increase the EEC's agricultural area by almost one-third have

In the last year, Brussels has for the first time agreed to open negotiations without pre-conditions on all sectors. Until then, the EEC had refused even to discuss some of the thorni-

est issues such as agriculture and fishing. The new spirit in negotiations has so far helped to clear away some of the less problematic items but has produced few breakthroughs on the major obstacles. The only important concession has been that the Spaniards, in return for an opening of negotiations, have agreed to establish a value-added tax (VAT) on the day of entrance into the Community; they had previously refused to do so.

## Transition Period

But other details for the transition period after official entry remain one of the major battles. Madrid wants a long period of transition for its industry, which is badly prepared for tariff-free international competition. Brussels, as a concession, agreed last fall that a short transition period might be possible. But Spain is now moving from its original request for a five-year transition period to calls for a

On the other hand, Spain can out-produce and undersell Europe in Mediterranean prod-

(Continued on Page 14S)

# Export Volume Triples in 5 Years

But Heavy Oil Import Bill Keeps Balance of Payments in Red

MADRID — Spain's dynamic young direc-tor of exports, Juan Arenas, was getting handshakes and slaps on the back from businessmen passing his lunch table at one of the city's elegant restaurant recently.

The reason? The morning newspapers had reported that Spanish exports for the month of February were up 40 percent over those of January and 57.1 percent over those of February,

Mr. Arenas accepted the congratulations with obvious pleasure but later, in his office at the Ministry of Economy and Commerce, commented that the positive results were not

really surprising. "Spain has tripled the volume of its exports in five years," he said. "Five years ago, they amounted to \$7 billion and now — using figures for 1981 - they total \$21 billion."

**Economic Difficulty** 

"We've had steady growth," he said. Not only were February's exports 40 percent higher than January's, but January's had already been 49 percent higher than December's.

During recent years of economic difficulty here and throughout the world, Spanish exports have sparkled as a consistently bright point among other often gloomy economic indicators. A heavy volume of imports — espe-cially of large quantities of oil — has kept the nation's trade balance in the red but the strength of the export market is viewed here as a promising sign for future overall improve-

Spanish exports grew 26.5 percent in 1981 from 1980; the years immediately preceding that showed increases of 22.2 percent and 22. percent. The kind of products Spain exports and the regions and countries it sells them to have also changed in significant and some-

For example, while almost 50 percent of each other over bad times, have been of special importance in the light of that developmental pean Economic Community, the growth of total exports to the EEC was relatively small last year, only 9.8 percent. That compares with far more rapid increases in exports to Communist bloc countries and specifically with a growth rate of 78.6 percent in exports to the Soviet Union. Nevertheless, the Soviet Union, Poland, Romania and Yugoslavia received less than 3 percent of Spain's total exports for

One factor that may have contributed to the relative slowdown of Spanish exports to Europe is that the peseta has remained relatively firm in relation to European currencies while in areas where its exchange rate is based on the dollar, the Spanish currency depreciated strongly after a 1977 devaluation, making Spanish products cheaper to buy.

That devaluation is seen as a prime factor in a big jump last year in Spanish exports to the United States, up 59.5 percent, contrasting with a growth rate of only 5.9 percent the pre-

"In 1981," Mr. Arenas noted, "the U.S. received 6,7 percent of Spain's exports. But those were basically unsophisticated products: first, material from the iron and steel industry; secondly, shoes and other footwear, and thirdly, olives, wine and some chemicals. Agricultural products such as olives, olive

and vegetable oils and wine have decreased dramatically in importance in Spanish export statistics from years like 1962, when they accounted for 65 percent of the nation's exports. Now only 20 percent of Spain's exports are agricultural products and of those 18 percent go to Europe.

Spain's economic ties to Latin America. based on common traditions, language and, in many cases, a history of nations having helped

"The importance of Spain's exports to Latin America," Mr. Arenas explained, "is not so much quantitative — although they account for 18 percent of our total — as qualitative, based on the kind of products we sell there."

"Spain now places great emphasis on products of high technology, but we have had problems placing them in foreign markets. Those industrial products make up more than 90 percent of our exports to Latin America, and that is extremely important to us."

Mexico, especially, has increased its pur-chases of such material from Spain; exports to Mexico have grown 63.6 percent in the past year to a 1981 value of 10 billion pesetas. Why, Mr. Arenas was asked, would Mexico, with the United States so close to it, buy great amounts

of highly technical goods from Spain?

"We are quite competitive," he said. "There is also a big common factor there and in other countries of Latin America — much more meaningful than their having been colonies of Spain or sharing our language — that we have the same way of seeing problems. Spaniards and Latin Americans can reach an understanding very rapidly."

Another factor that Mr. Arenas and other

economic officials emphasize as a national advantage is that developing nations seem to feel comfortable working with Spanish business people because of Spain's own recent experi-

ence with underdevelopment.

"It may be that the personnel of those Spanish companies are more used to working under difficult conditions. If they go somewhere in North Africa or South America or the Far Fast and the telephones do not work, they do not all just leave, as workers from more highly developed countries might," Arenas said.

The "economic miracle" that catapaulted

(Continued on Page 12S)

# OECD Predicts 2.5% Rise In Gross Domestic Product

DARIS — Despite an average increase of less than 1 percent a year of Spain's real gross domestic product between 1979 and 1981, the OECD has forecast a 2.5 percent growth over

the next twelve months.

The annual economic survey of Spain, issued at the end of May, says this development is based on the assumption of a normal agricultural year, and continued growth in exports The study sees a decline in inflation, helped

by moderate wage growth, and a slowing down in import prices, but a continued, though slower increase in unemployment to 16 percent of the labor force. Consumer Price Rise

Although private consumption is expected to fall by 0.25 percent, public consumption and gross fixed capital formation should rise by 25 percent and 3.5 percent respectively, with government gross investment expanding by about 15 percent in volume. But the OECD does not see broadly based business a fixed investment, most of the expansion coming

from energy-related and rationalization ex-The consumer price index should rise by

13.25 percent. If the economy evolves along these lines, then OFCD forecasts a 3.5 percent increase in GDP for 1983 leading to a slight drop in unemployment levels to 15.5 percent of the labor

force and a further decline in the inflation rate, with domestic demand progressively replacing net exports as a source of strength. The rise in consumer prices should decelerate to 11 percent, while private consumption

and fixed investment could pick up.
But this scenario, the OECD study warns requires a relatively (avorable international economic environment, maintenance of a moderately expansionary policy stance and further wage moderation.

The study praises efforts to control nominal wages, slow the rise in unit labor costs, reduce dependence on imported energy (one of the main structural weaknesses), start restructur-ing crises ridden industrial sectors (a move long overdue,") and seek government-labormanagement concensus in the shape of the ANE Acuerdo Nacional sobre el Empleo ol

The OECD warns that automatic stabilizers have exerted heavy pressures on the public sec-tor financial position, "already scriously deteriorating as a result of discretionary measures taken to support activity and improve social benefits." The growing public sector financing requirements, the OECD adds, have complicated the tasks of monetary management, implying a risk of restriction of domestic credit to the private sector. As in other countries, there are underlying social pressures for the expan-(Continued on Page 13S)

ucts such as citrus fruit, tomatoes, olive oil and wine. In this sector, the EEC wants a transition period. It also wants at least seven years before Spanish workers have full rights in Europe. Spain, with a worse rate of unemployment than any of the member countries and with thousands of unemployed immigrant workers returning every year from Europe, wants immediate status for Spanish workers. Mr. Bassols acknowledges that the failure of EEC members to agree on a reform of the

# Infusion of Techniques, Ideas Welcomed 3 Years After Arrival of Foreign Banking

By Tom Burns

MADRID — It has been three years since foreign banks were allowed to operate, albeit restrictively, in Spain and almost all concerned are more than satisfied that the protectionism was lifted. Reviewing the impact of foreign banks on

the internal scene. Angel Madronero, director general of the Bank of Spain, pronounced himself "very satisfied." The head of one of the first foreign banks to open of-fices in Madrid when the restrictions were lifted admitted that there were "raised eyebrows" among the Spaniards at the incoming competition but, he added, "there are no problems now." Antonio Basategni, a chief executive of the major Spanish Hispanoamericano banking group, termed the presence of foreigners "very positive. They brought with them a banking that was unknown here. They brought ideas." (An additional article on the changes brought by foreign banking ap-pears on page 11S.)

It was precisely ideas and new practices that formed the basis of the Bank of Spain's strategy when it mapped out the entry of for-cign banks into the Spanish domestic market. Sooner rather than later the protectionism had to be lifted for reasons of reciprocity if nothing else. Spanish banks were forging

ahead abroad. By 1979, in any case, the lifting of protectionism was seen as a complement to the post-Franco political transition not least because, with democracy restored, Spain was negotiating entry into the European Community.

## Financial Sector Revitalized

Thus faced with the unavoidable prospect of opening up Spain to the foreign banking community, the Bank of Spain ensured that the new blood would revitalize the financial sector. "We wanted to boost good medium and long-term financing and we wanted to develop and diversify the interbank market," said Mr. Madronero.

The Bank of Spain laid down these main restrictions: Foreign banks were not permitted to open more than three branches and customer deposits in pesetas could not exceed more than 40 per cent of their assets. In practice the second restriction is a consequence of the first and the Bank of Spain added two further guidelines to ensure that its planned strategy would be followed:

Foreign banks were barred from investing in equities and their guarantees could not exceed three times net worth. Mr. Madronero claimed the restrictions were more "theoretical" than anything else and over the past

have in the event preferred not to open up the three permitted branches and opted instead for a tight team working out of Madrid. A senior British banker in Madrid agreed that the authorities could not be accused of "overlegislating" and that the Bank of Spain had merely pointed the way in which it wanted the foreigners to move. From the start we knew we were supposed to be market catalysts," said the banker.

three years the bulk of the foreign banks

The foreign banks needed no further encouragement. Carlos Martinez Campos, chief executive of the Barclays group in Spain, emphasized that foreign expertise soon found good prospects in spearheading floating peseta credits. "The variable, syndicated loan was the only way to keep going," said Mr. Martinez Campos. The foreign banks did more than keep going. Most sources agree that the foreigners were earning more than 20 percent on their capital. Initial doubts about creating from scratch an interbank market were quickly dispelled. A second surprise was that the big borrowers were not the multinationals but Spanish companies and certainly there was no difficulty in obtaining funds on a rollover basis.

(Continued on Page 165)

But Program Has Cut Oil Consumption and Increased Coal Production

MADRID — In the late 1970s, has fluctuated, going down to 1.5 on a considerable degree of opti-it became clear to Spanish percent in 1980 and finally getting mism. economic planners that the country had a serious balance-of-trade problem and that a major source of this deficit was oil imports. In July, 1979, parliament approved a National Energy Plan (PEN), which was to cut the oil import bill over the next decade by reducing consumption and increasing the production of domestic forms of energy --- especially coal and nu-

PEN is now approaching its third year, with revised goals and an increasingly clear picture of its successes and failures. It has succeeded in reducing consumption and in increasing coal power. But while Spain is lowering the ton-nage of oil imported annually, the bill for the oil keeps rising — from 807.4 billion pesetas in 1980 to more than one trillion pesetas in 1981. This phenomenon has largely been caused by the dramatic decline in the peseta against the dol-lar, with which oil is purchased.

Incontestably, the biggest failure in PEN has been nuclear energy. According to the original plan, nuclear energy was going to rise from 2.2 percent of total primary energy scaled down the 1985 nuclear goal in 1977 to 9.8 percent this year and 14.8 percent in 1987. Instead, it ry energy. But even this is based

Consultants to Management on

Executive Search

We are pleased to announce that

Alvaro Perea Samarra

has joined our firm as

**PARTNER** 

for our practice in Barcelona

TASA AG-Serrano, 46-Madrid-1

Brussels, Frankfurt, London, Madrid, Barcelona,

Milan, Paris, Zurich, Johannesburg, Tokyo,

Miami, New York, Bogota, Buenos Aires, Caracas,

Mexico City, Oueretaro, Monterrey, Sao Paulo

(93) 210 49 86 - Barcelona

Telex: 48065 TASI-E

Telephones: (91) 435 35 55 - Madrid

up to only 3.4 percent last year.

The problems have been both political and technical. The four nuclear plants of the so-called first generation, activated between 1968 and 1981, have been plagued by structural defects and operational failures that have caused shutdowns. In the first full year of PEN, there was even a decline in nuclear power because the 469epawati General Electric reactor at Santa Maria de Garona was out of service for five months while a metallurgical defect was being cor-

Further delays were caused by the second generation of seven reactors falling far behind their op-timistic construction schedule. Almaraz I, which was recently ac-tivated, had been scheduled for op-eration in 1979. Asco I, which was supposed to be completed last year is expected to begin operation this

"We have recognized the delay in construction," in construction," said Energy Commissioner Luis Magana. Thus, the 1981 revision of PEN has

According to Mr. Magana the main technical problem has been in the design of water-flow distribution. "The problem is now very well known." he said. It has been studied with U.S. engineers at Al-maraz I, which is being shut down every 1,500 hours to observe the functioning of a modified design. Almaraz II, which was originally to begin operation in 1980 and is now rescheduled for activation in October, will have the new design.

Construction Halted

The surge in nuclear power fore-cast for 1985 in the revised PEN assumes that in addition to the two Almaraz plants and Asco I four plants can be activated by 1984, including two at Lemoniz, near Bilbao, where Basque extremists have brought construction to a

In May, the armed wing of the Basque nationalist movement, ETA, for the second time shot and ed a Lemoniz engineer and threatened to kill others. The technicians have refused to continue working at the site and the Madrid government, in meetings with the private firm that has already lost hundreds of millions of dollars on delays, Iberduero, and the regional Basque government has vowed to bring in special teams to continue

Coal, on the other hand, has been far more productive than PEN's optimistic planners had foreseen. The original goal was for coal to produce 16.2 percent of the primary energy by 1987. Last year, coal had already reached 21.3 percent and the newest revision calls for 24.3 percent by 1985.

Berween 1977 and 1981, Spanish coal production rose from 17.9 million tons annually to 33.5 million tons, due mainly to strip min-Galicia where there is an estimated 200-million-ton reserve.

The government is trying to convert the two big oil consumers, the cement industry and electrical pro-duction to coal (and nuclear in the case of electricity). But the recession in the Spanish economy is making it difficult for companies to raise the capital for conversion. The government is offering long-term low-interest loans as an in-

centive. Ironically, as plants have been converting to coal power, Spain has begun for the first time to be an importer of fuel coal, which caused a 15-percent increase in

Spanish coal imports last year, Spanish planners are losing ensiasm for natural gas, and negotiations to connect with the So-viet Union's European pipeline have been postponed. Madrid has found that price increases in gas, contrary to what they had expected, have been steeper than oil. Spain's main suppliers are Algeria and Libya. Mr. Magana expressed fear that the recent high-priced French-Algerian gas deal will send prices even higher. Spain currently has no domestic gas production but has discovered four fields two offshore - and plans to be 30percent gas self-sufficient by 1987.

PEN anticipated a decline in the role of hydraulic energy because it was thought to be already exploited to its maximum in arid Spain. However, the government has recently become interested in minihydraulic plants that produce a maximum of 5 megawatts each. Aiready 250 such plants have been contracted and the government is offering favorably termed loans to encourage more. Mr. Magana believes that there is a potential for enough of these small plants that do not require major flooding projects to produce the equivalent of

three nuclear power plants.

Although solar energy is only projected to produce 5 percent of total Spanish energy in 1985 the solar industry is flourishing. An estimated 45,000 square meters of solar paneling will be sold in Spain this year. The government is studying the application of solar indus-try to the food and dairy industries and is actively looking for foreign partners in photovoltaic experi-ments. There are already 10,000 photovoltaic houses in Spain in remote places away from electrical

Meanwhile the Spanish energy industry is looking abroad. The na-tional coal company CARBOX and the private company APRO-CAR are both involved in foreign coal exploration and investing in

reign mines.
APROCAR is negotiating with the Chinese for a coal exploration contract. The national oil company. Hispanoil, is negotiating oil and gas exploration contracts in China and is also active in the North Sea, Central America, Oman and Equatorial Guinea. Foreign uranium exploration has recently been taken out of the hands of the Junta Nacional Nuclear and placed with a national

uranium company, ENUSA.
— MARK J. KURLANSKY

Harry Debelius, Vanya Walker-Leigh, Mark J. Kuriansky and Barbara Bell are Europe-based freelance journalists who have often reported from Spain for the International Herald Tribune. Their work has also appeared frequently in IHT special supplements. Tom Burns is the Madrid correspondent for the Washington Post and Newsweek Magazine.



# Space Problems Restrict Vast Fishing Fleet

VIGO - In a sheltered Atlantic harbor, 20 miles of Galician pine forested mountains away from the Portuguese border, sits one of the most important fishing fleets in the world. With more than 5,000 fishing vessels. Vigo has the largest fleet in Galicia, which is the biggest fishing region of Spain, the third-largest fishing nation in the world (after the Soviet Union and

Galicia, Spain's extreme northwestern region, derives about 40 percent of its output of goods and services from fishing. Vigo has the big industrial fleet of large trawlers and long-liners that fish all over the world and freeze the catch. In La Coruna, as in the Basque port of San Sebastian, the fleet is mostly smaller boats that bring in fresh fish from European

But it is the international negotiations from Madrid that have become the key to fishing prosperity. The Spanish fleet could easily increase its catch and the Spanish market remains one of the best in the world, but only half of Spain's catch can be found in its own territorial waters. The extention of territorial waters claimed by many countries to 200 miles has kept the Spanish catch from expanding and has forced its market share down from 2.34 percent of the world catch in 1970 to 1.75 percent in

Miguel Aldasoro, the govern-ment's subsecretary for fishing who heads Spain's fishing negotia tions, compares the situation to the period in the 19th century when open cattle range in the American West began to be fenced off, producing "range wars." In contrast, in this case, he said, "I think people are acting very well. The sea used to be free and it is not any-

The Andalusian fleet (Spain's second-largest) has been consider-ably restricted in Moroccan waters, and Cadiz fishermen are per-Galician licenses in Portugal must be annually negotiated. Neverthe-less, Mr. Aldasoro said, "With all countries we have improved our situation, except with the European Economic] Community it gets

Every year, Madrid renegotiates for the use of EEC waters, and every year the number of licenses and quotas on fish becomes smaller. The EEC justifies the restrictions by saying that overfishing is taking place, but Spaniards have grown skeptical because the types of fish that Northerners overfish, such as cod and herring, are for Nordic markets. The Spaniards are interested in bottom species such as

Carlos Gago, the leader of the

fishing association in Vigo, be-lieves that EEC restrictions "are for economic reasons, but the EEC pretends it is biological." Mr. Aldasoro has similar suspicions. pointing out that the Common Market exported 380 tons of bottom species to Spain in 1977 and 17,000 tons in 1981. He claims that European fleets, particularly the French, are developing boats for bottom fishing to sell to the Spanish market

The Spanish market is extremely valuable because Spaniards on the average consume 66 pounds of fish per person annually while the European average is 20 pounds. Furthermore, the Spanish market price is about 30 percent higher on traditional varieties.

[Common Market] entry will be a disaster not only for Galicians but for all of Spain," Mr. Gago said. "They will get our market. We will not get their waters."

Pedro Otaegni Macazaga, leader of a San Sebastian fishing association, and some other industry leaders agree. But many of the fisher.

ers agree. But many of the fisher-men seem vaguely favorable to Spanish entry in the EEC. Juan Tovio, who owns three boats in La Coruna with British partners, said, "There is a risk to entry, but the Spanish fleet is very flexible and can fish other species.

According to Mr. Tovio, seven ships from Galician and Basque ports have moved to Ireland and

40 to England to fish in European waters under flags of convenience

The Spanish government is pre-paring to enter the EBC by offering credit and financial incentives to owners of small European fresh fish boats who are willing to change to large vessels for long-distance fishing. There are currently only 142 licences available for 416 European-type boats. "I am quite sure that the Community will not let me enter with 400 boats" Mr. Aldasoro said.

There are other worries for Galician fisherman. The scandal last year over toxic office oil burt the Vigo cameries (although no cases of toxic oil in canned fish were found). Chronic problems, meanfound). Chronic problems, mean-while, include rising fuel costs that reduce already slim profit margins, increasingly frequent truck strikes that keep fresh fish from the mar-kets, radioactive waste from Euro-pean nuclear power plants that are buried in concrete and dumped in deep water 465 miles off Galicia, pollution of shellfish beds from the tanker port at La Coruna and collisions with the heavy tanker and cargo traffic in Galician waters.

Asked if fishermen in La Coruna were worried about the nuclear waste off their waters, Mr. Tovio replied that there was some concern, but "the problem is that they

# EEC Entry Dominates Key Industrial Sectors

covering three companies, has already resulted in some job cuts and improved financial results — but final plans for the sector will be drawn up after the Japanese steelmaker Kawasaki submits an exhaustive report on prospects for Spanish steel, especially with a view to aligning plans with restructuring under way in the EEC steel industry.

Conversations between EEC officials and Spanish government and industry executives have pointed to considerable differences of view, especially on the desirability of building a new hot rolling mill in Spain.

Plans submitted by seven special steels man-ufacturers, meanwhile, have been approved. while a decree setting out reconversion guide lines for common steels was issued in March.

Controlled 70 percent by INI, the state industrial holding company, loss-making Spanish shipyards facing orderbooks 40-percent below the 1974 level will operate a 34-percent capacity reduction during the next two years to 730,000 compensated gross registered

and Astano, both controlled by INI, will have a total capacity of 430,000 cgrt, the remainder being spread over 29 medium-size and small yards. The sectoral plan also provides for 5,000 layoffs by big yards and 3,000 by small, reducing the shipbuilding work force to 32,000, boosting productivity by about 25 per-

In the automobile electrical components sector, Femsa and the Spanish operation of Robert Bosch, West Germany, submitted a plan involving a 25-percent reduction of their 6,300-person work force, coordinated production plans and financial reorganization accepted by the government last October. Twenty manufacturers of "white" household appliances (cookers, washing machines, refrigerators, heaters) have regrouped into five associations to distribute production while reducing excess capacity (30 percent) and work force the charge of the cookers. capacity (30 percent) and work force (by about 4,000 people). So far, two plans have been ap-

Although not originally identified as a crisis

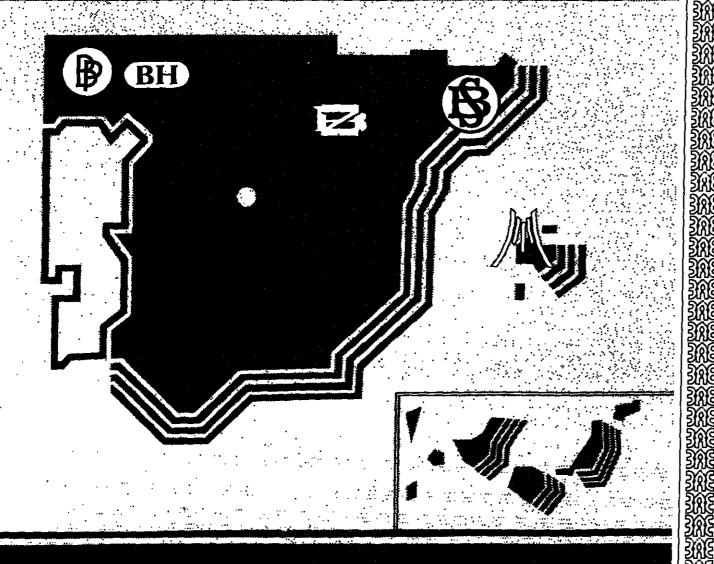
sector, the footwear federation lobbied successfully for government support for a reconversion plan it drew up last year. Talks are continuing to draw up guidelines for reconversion of the electronic components and copper

While the Ministry of Industry has stated that "the list is now closed," a number of other talks are going on or are planned with individ-ual companies in other sectors encountering similar difficulties.

The complexities involved in retooling these industries for survival has pointed out the need to strengthen government aids to small compa-nies, and to do technological research.

The mandates and financial resources of IMPI (Instituto de la Pequena y Mediana Emprese Industrial), the small industries institute set up in 1978, and the CDTI (Centro para el Desarrollo Technologico e Industrial), center for technological and industrial development will be expanded. Both institutes are closely linked to the Ministry of Industry.

The government has also laid before the par-liament two draft laws on technology and pat-



Over 750 offices located in the leading foreign trade areas of Spain will care for you.



🛱 Banco Herrero

**Banco Pastor BANCO DE SABADELL** 

BANCO ZARAGOZANO

# BANCO ARABE ESPAÑOL المصرف العربي الاس

ORDINARY ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD In Madrid on 27th May 1982

The following are extracts from the address delivered by the Chairman of the Board of Directors, Mr. Abdulla A. Saudi.

ZNENENENENENE

Aresbank continued its healthy development through a policy of sound diversification while

maintaining a banker's traditional prudence. Net income before provisions for possible loan losses and income taxes amounted to Ptas. 2.060 Million, (equivalent to US\$ 21.17 Million) compared with Ptas. 1.225 Million for 1980, a rise

of 68 % Net profit after income taxes amounted to Ptas. 1.065 Million, nearly double the 1980 figure of

Ptas. 565 Million. Total foreign currency and Ptas. deposits at the end of the year totalled the equivalent of US\$ 1.258 Million.

- By the end of 1981, Aresbank had completed the restructuring of Banco de la Exportación, S. A. -BANEX, in which it obtained a controlling interest in April 1981. BANEX is now an efficient and profitable bank able to provide financial assistance and advice to medium and small sized firms in the Valencia area, especially to those operating in Arab markets.

The Chairman made reference to the election of Aresbank as "Bank of the Year for 1981" at the banking forum organized by the prestigious magazine DINERO.

The Barcelona office was opened to the public in March 1982, thus allowing Aresbank to service conveniently the important business community

in the Catalonian area.

AUDITED BALANCE SHEET\* (in Thousands of Spanish pesetas) - December 31st 1981 Mid market rate of exchange: 1 US \$ = 97,31 pesetas.

| ASSETS                                       |             | UABIUTIES AND SHAREHOLDI  | R'S EQUITY             |
|--|-------------|---|------------------------|
| Cash and Bank of Spain  Due from banks:      | 258,028     | Demand deposits Time deposits:  | 4.367,885              |
| Pesetas .                                    | 1,821,451   | Pesetas   | 11.230.475             |
| Foreign currency                             | 63,919,475  | Foreign currency  | 99,730,119             |
| )  | 65,740,926  | . Octobre contents  | 110,960,594            |
| 1  |             | Cash bonds  | 1.000.000              |
| Loan and bill portfolio                      | 44 754 034  | Accrued interest p avable   | 3,554,659              |
| Foreign currency                             | 16,755,829  | Rediscounted bills - Bank of Spain  | 1.356,000              |
| roteign contently                            | 37,910,995  | Current income tax  | 229.682                |
| Broussian for possible last and hill last at | 54,666,824  | Other liabilities   | 703,907                |
| Provision for possible loan and bill losses  | 1,659,406   | · ·   | 122 172 727            |
| 3  | 53,007,418  | Pension Plan  | 144, 112,121           |
| Equity investments                           | 1,459,488   |   | <b>-</b> .             |
| Bonds  | 3.164.865   | Minoritary interest   | <del></del> `;         |
| Bank premises and equipment, net of          | 3, 147,003  | SHAREHOLDER'S EQUITY  | 4 040 000              |
| allowances for depreciation                  | 1,085,569   | Share capital   | 5.250,000              |
| Coodwill                                     |             | 50 % of capital increase not vet paid in  | 1,125,000              |
| Accrued interest receivable                  | 3.813,136   | Paid-in share capital<br>Retained earning   | 4,125,000<br>1,222,013 |
| Other assets                                 |             | Net income for the year   | 1 065,432              |
| Oute askis                                   | \$5,742     | - The state of the seasons are seasons as a season as | 6.412.445              |
| į  | 128,585,172 |   | 128.585.172            |
| Customer's liability for documentary         |             | Description on the secretaries and  | 120,305.114            |
| credits, acceptances and guarantees          | 27,420,077  | Documentary credits, acceptances and  | 27,420,077             |
| 3  | 156,005,249 | guarantees per contra   |                        |
|  |             |   | 156,005,249            |
| MEMORANDUM ACCOUNTS                          | 78,760.005  | MEMORANDUM ACCOUNTS   | 78,760,001             |

These are abbreviated financial statements extracted from those expressed in Pesetas audited by Errst & Whirney Full audited financistatements are available upon request to the Bank.

# **AGRICULTURE**

Productivity Is Increasing, but Role In Economy Declines to 7.25% of GNP

MADRID — The myth that to decrease the farming population while increasing production. This agricultural country is one exam-ple of how the national image is changing far more slowly than the nal economy. Today, Spain is an industrialized country in which agriculture, in spite of growing production, plays a smaller role

40 to England to faile be waters under than of one, paring to enter the England to owners of small faile to cowners of small faile to cowners of small faile to cowners of small faile fish boats who are to distance failed before the point of the change to large rout to distance failed before the change to large rout to the change to large rout to distance failed before the change to large rout to the change to the change to large rout to the change to the chang

There are other some in the case of the ca

pean nuclear poor he pean nuclear poor he buried in concret side deep water 465 min a politorion of shellin hei tanker port at la Cong lissions with the heave cargo traffic in Gaissan. Asked if fisher

Asked if federacial

replied that there are the

reputed that more by cern, but "the problem; have too many others."

—MARK J. Dec

ial Sector

footwear federation is for government same plan it drew up last par?

to draw up gudding

he Manistry of Indianal

oung on or are planted to

anies in other sector of

aplevities involved in the

for survival has posted a

ten government ad ba

to do rechnological meni

and ales and furnite

stituto de la Populari

ridustrials, the small man

ு பா 1978, and the OF

esacrollo Technologiost

ectariological and miss

all or expanded Books:

ked to the Ministry a his

emment has also and his-

via deaft laws an technole-

DERS HELD

ank had completed. la Exportacion S.A. ed a controlling meet an ethicient and avide mancial action and small and encheciago to mose

ence to the electronic ear for 1981" at the the crestigious

. Azesbank to service

Between 1970 and 1980, the role of agriculture in the gross national product declined from 11.3 percent to 7.25 percent. The role of 400 thousand more acres. This is agriculture in employment has primarily accomplished by irrigaagriculture in employment has dropped from 28.3 percent in 1970 to 17.4 percent in 1980. Jose Luis Alvarez, Spain's minis-ter of agriculture, fishing and food,

is the absorption of agriculural workers into industry and service sectors as a natural result of the process of making agricul-ture more efficient. The minister said that the government's main .concern was to increase productiv-

## Improving Efficiency

Florentino Perez, president of the National Institute for Agricul-tural Reform and Development. said the percentage of the active population in agriculture should be allowed to fall to about 12 percent, which would still be higher than most Common Market countries (all except Greece and Ire-

while increasing production. This is being done by improving the efis being done by improving the er-ficiency of existing farms and cul-tivating new land. Spain already has more cultivated land than any other country in Western Europe and adds to this every year through both public and private efforts. This year, the government will render an additional 250 thousand acres into farm land and private initiatives will yield more than

tion projects in arid areas.

The efficiency problem in Spanish agriculture is expressed in two words -- latifundia and minifundia. Latifundia is farms that are too large to be fully utilized by their owners; minifundia is farms that are too small to be viable. According to Mr. Perez, virtual-

all of the 420,000 farms in Andalusia, one of the major agricul-tural regions, are either too large or too small. The national institute buys unused parts of latifundia and sells them to farmers with too little or no land. They have sold land to 56,000 families on interestfree, 20-year installment plans. In 1979, a land-reform bill was

passed on what is termed Fineas Manifestamente Mejorables (demonstrably improvable farms). than other segments of the economy. Furthermore, the government can inspect farms creates jobs each year for tasks

Automobile Industry Optimistic About Foreign, Domestic Sales MADRID — The Spanish automobile industry is unhappy about the immediate past, but resolutely optimistic about future sales at home and

At 213 cars per 1,000 inhabitants, Spanish car ownership is well below the 300 plus average in most European countries. But sales on the domestic market have plummeted from 625,000 to 435,000 between 1974 and 1981, sliding 16 percent in 1981 alone. Exports have only partly compensated the

drop, going from 314,000 to 433,000.

The 8.8 percent increase in domestic sales between January and April this year, compared to the same period in 1981, may prove to be just a flash in the pan which manufacturers think was sparked off by a massive advertising campaign for new

Enrique Laguilhoat, director general of ANFAC, the Spanish vehicle manufacturers' association, at-tributes the slump not only to stagnating real in-comes but increased unemployment and rising gasoline prices. "Both new and used cars in Spain carry a luxury tax of 24 percent and the maximum duration of bire purchase agreements is three years, with interest rates ranging from 14 percent to 20 percent," he said in an interview. "That makes the basic standard car pretty expensive for the average Spaniard right now," he added.

## Optimistic About Growth

However, Mr. Laguilhoat foresees the luxury tax being replaced by a hopefully lower value added tax, to be introduced on all items and transactions when Spain enters the European Community. Patrick Byrne, manager of Ford's Spanish opera-

cient can draw up a plan for im-provement. If the farmer refuses, the government can confiscate the

land. However, after two years in

which almost 1,500 farms have been inspected, no land has been confiscated, "We do not want to be farm owners," said Mr. Perez. "We want to improve farms." By official statistics, unemploy-

ment is much lower in agriculture

tion, is also optimistic about future growth in the

expects his ministry to create di-rectly and indirectly 75,000 jobs of education and of forming agri-cultural associations," the minister this year. Spanish agriculture suffers from chronic balance-of-trade deficit.

The National Institute is trying The deficit is primarily with the to absorb the surplus work force in United States and has been growcooperative projects for food proing at an alarming rate in the past cessing and marketing on the farms. Traditionally, Spanish farmers do very little of these secfive years. Livestock and animal production accounts for 40 percent of Spanish agricultural production.

Difficult to Measure

ondary activities. According to Mr. Alvarez, a major problem in Spanish agriculture is poor marketing. "It is a problem

"Though there will be more competition with the Europeans getting free access to Spain for their products and the Japanese here in some form or

Sales of imported automobiles (53,678 in 1981) only account for about 10 percent of the market, which included heavy import duties. Foreign manufacturers, who have Spanish manufacturing operations, are under severe government restrictions concerning the number of models manufactured abroad, by satellite companies, for sale in Spain while sales of automobiles, made by companies with no operations here, are limited by high duty and small distribution networks.

Spanish market, forecasting total sales for the sec-

tor of at least one million units by the mid 1990s -

Spanish automobile manufacturing is overwhelmingly non-Spanish. Its large capacity (in relation to the potential domestic market) is geared to extensive sales abroad, mainly to the EEC, as part of the multinational manufacturers' world pro-

General motors subsidiary, Opel, has just become the sixth producer with an estimated output of 270,000 cars per year in its newly completed plant in Zaragoza, opening June 7.

Four of the five remaining manufacturers are in-

ternational automakers - Peugeot's subsidiary Talbot, Citroen, Renault and Ford The state-controlled SEAT (belonging to the Instituto Nacional de Industria) has developed, and will continue developing, in partnership with for-

eign interests.

SEAT, with a production capacity of 400,000, sold 123,745 automobiles on the home market and

Since no cost-efficient domestic

feed has been developed, the Span-

101,330 abroad in 1981 (11.3 percent and 23.2 percent less than in 1980). The firm has been plagued by overcapacity, overstaffing and heavy looses -20,500 million pesetas in 1980 and 19,000 million pesetas in 1981.

The state of the s

In 1980, SEAT's long-time partner, FIAT of Italy, refused to go ahead with provisions in the partnership contract to expand its stake in the capital to a majority holding and to fully integrate the two companies' operations. A year later, INI agreed to an out of court senlement whereby FIAT ceded its shares and know-how while agreeing to distribute SEATs through its network outside Spain at the rate of 80,000 to 90,000 vehicles a year up to Janu-

SEAT is adapting FIAT designs, launched in Spain, such as the Panda and Ritmo, and will start distributing abroad through its own network next

## Open Negotiations

Hopes that either Nissan or Toyota might step in to take FIAT's place fell through after lengthy, behind the scenes negotiations. But SEAT now seems ready to conclude a broad agreement with Volks-

If negotiations are successfully completed by July, as foreseen by company representatives, then VW would undertake to annually distribute 50,000 to 60,000 SEATs under its brand name through the VW world network. SEAT would also manufacture VW's Polo at its Pamplona plant at the rate of some 100,000 units a year, half for export plus some 20,000 Passats and 10,000 Santanas in its Barcelona factory for the Spanish market.

Mr. Alvarez feels that the solution is to compensate by selling Americans more products such as

wine, olives and olive oil. The min-

ister believes that this is a market-

ing problem. "Spanish second-level wine is much better and

cheaper than French (second-level

wine) but the Americans do not

But he is hesitant to launch a

government marketing campaign in the United States such as the

know it," he affirmed.

SEAT would also agree to distribute imported VWs in Spain through its 1,250 sales points. The company acknowledges this could triple the sales of VWs next year, which only totaled 3,800 units in

Ford, which sold 55,932 cars in Spain last year and exported 189,498 (1.7 percent and 7.6 percent less than 1980), has recently invested in modifications for its plant near Valencia to produce the Escort model, alongside the successful Fiesta, and is just completing work to expand daily output from 1,140 to 1,240 automobiles. "Spain is very very high on our list of priorities for further expan-

## Competitors Progress

sion in Europe." Mr. Byrne stated, "but I can't make any firm forecast right now of what we will

Talbot, which sold 54,221 cars on the home market and 7,246 abroad (-5.0 percent and 15 percent compared to 1980), produces four models for Spain and abroad at its Madrid plant, but may start making certain Peugeot models in the future.

Citroen Hispania, which sold 43,856 cars on the Spanish market in 1981 and 29,880 abroad (-16.8 percent and -0.1 percent compared to 1980) makes live basic models, plus the Peugeot 500, at its two plants in Vigo and Orense but does not plan any

further capacity expansion right now.

Fasa Renault, which sold 157,379 cars in Spain in 1981, 105,169 abroad (-20,4 percent and -14,7 percent compared to 1980), and makes 20 models at its three plants in Valladolid, Valencia and Sevilla, also has no plans to upgrade capacity.

-VANYA WALKER-LEIGH

## ish buy huge quantities of American corn and soy bean. French are doing. — MARK J. KURLANSKY The government's plan has been and if they are found to be ineffi- such as reforestation. Mr. Alvarez 'Evolution' or 'Revolution?': Banking Has Changed Rapidly Since '78

They generally agree, though, that banking in Spain has changed enormously, in fundamental ways, in a very short time. Most bankers and economists here pinpoint the beginning of that change in a royal decree dated June 23, 1978, signed by King Juan Carlos June beginning of the change in a royal decree dated June 23, 1978, signed by King Juan Carlos Landschild Carlos have to exclude the present in I, authorizing foreign banks to establish operations in Spain for the first time since the Civil War.

From a first group of 10, the number of foreign banks has grown to 29. More are expected to join their ranks soon; the magazine Actualidad Economi-ca predicted recently that the next two foreign banks to receive permission to open offices here would be Brazilian and Argentine, followed by two Belgian

"Liberalization, competition, serious professional-ism, the introduction of new financial instruments, all of this seemed to sweep almost simultaneously over the Spanish banking world after 1978," a veteran economic observer said here.

MADRID — Some Spanish bankers call it a revo-lution; others speak of "rapid evolution" and "profound structural change."

Bank of Spain had made clear their readiness to sup-port liberalization and modernization in the banking sphere with the authorization of foreign banking. But once established, the foreign banks theniselves lost no time before lobbying for further liberalization of a banking system that, like much of the political structure in Spain following the Franco regime, was full of controls and restrictions.

Almost as important on a psychological level was the spirit of competition, totally new to Spanish banking, that swept into the country with the foreign banks, changing the terms of daily operation and long-term planning even for the most conservative, tradition-bound Spanish bankers.

"Understandably, there was some resistance to us and our methods at first," said the Spanish general manager of an American bank who worked in banking outside Spain for a decade prior to 1978. Spanish banking was already advanced in some ways before Franco died in 1975.

After the Bank of Spain dropped limitations on the number of branches Spanish banks could operate in The King, the democratic government and the 1974, a branch-opening spree occurred throughout

the country; the banks then found it necessary to computerize quickly in order to deal with their farflung networks.

Spain has banking systems that are often more echnologically advanced than those you find in the United States and France," an employee of a large

computer firm outside Spain said.

A prominent banker here offered a slightly different interpretation: "Spanish banks were highly equipped with computers, yes, but they were seen partly as a status symbol. The changes in manage-ment methods to take full advantage of the possibilities computers offer are only occurring now."

Another remarked that in spite of extensive computerization, he felt many Spanish banks still lacked modern pricing systems and cost-accounting controls. The credit card, described by most bankers as the key to the world of new banking technology, is thriv-ing in Spain, where the Banco de Bilbao introduced it during the economic boom years of the '60s' in the form of the Bank Americand.

VISA is now the most widely used card in Spain. Eduardo Merigo, president of VISA Spain, says this country ranks third in all of Europe in use of "payment cards," behind only Britain and France.

"There are three million VISA cards in Spain," he says, "almost as many as in the U.K. and more than the number in France, although we have a lower volume of use per card." He adds that use, too, is growing, having increased 50 percent in Spain each year for the past three years.

Throughout the banking community, from the tra-ditionally conservative Bank of Spain to those considered as innovators like the Banco de Vizcaya and the Banco de Bilbao, bankers seem to share the opinion of one of their fellows that the "whole shakeout" in the Spanish banking world has been a positive event.

More changes may well be in store. For one thing, foreign banks here are still not allowed to operate more than three branches each. Under EEC reciprocity rules, that limit would be abolished if Spain became a member of the Common Market.

# YOUR OFFICE IN MADRID

In the most prestigious building complete office services and premises, conference rooms, multilingual staff, business address, daily or periodical rentals



Paseo Castellana, 51 Madrid 1 - Spain Tel.: 410 5194 - Tlx. 46607 CENE-E

# IBERDUERO, S.A. THE LEADING SPANISH ELECTRICITY ORGANISATION TOTAL INSTALLED POWER \_\_\_\_\_ 5,297 MW HYDRO-ELECTRIC POWER \_\_\_\_ 3,777 MW TOTAL OUTPUT \_\_\_\_\_14, 217,000,000 kWh HYDRO-ELECTRIC 6,675,000,000 kWh OUTPUT\_\_\_\_ EQUIVALENT TO 28,7 % OF SPAIN'S TOTAL HYDRO-ELECTRIC OUTPUT THE MOST IMPORTANT HYDRO-ELECTRIC GENERATING PLANTS VILLARINO\_\_\_\_\_810,000 ALDEADAVILA \_\_\_718.200 PUENTE BIBEY \_\_ 328,000 SAUCELLE \_\_\_\_\_ 285,000 SAN ESTEBAN 264,000 CONSO \_\_\_\_ 228,000 VILLALCAMPO \_\_ 206.000 (As of 1981)

Banco de Bilbao. The Spanish bank with the greatest international experience. Results for 1981.

|  | 1.980    | 1.981       | increase  | ~e    |  |
|--|----------|-------------|-----------|-------|--|
| Capital & Reserves (Million Peseias)     | 56.820,4 | 60.287,7    | 3.467,3   | 6,10  |  |
| Deposits (Million Pesetas)               |          | 1.044.097,8 | 102.262,6 | 10,86 |  |
| Loans (Million Pesetas)                  |          | 688.917,7   | 97.340,6  | 16,45 |  |
| Investments Portfolio (Million Pesetas)  |          | 123.749,6   | 13.764,8  | 12,51 |  |
| Net Profit (Million Pesetas)             |          | 10.906,7    | 3.037,6   | 38,60 |  |
| Net Profit After Taxes (Million Pesetas) | 5.846,1  | 8.012,1     | 2.166,0   | 37,05 |  |
| Dividends per Share (Pesetas)            | 77,2     | 112,0       | 34,8      | 45,07 |  |
|  |          |             |           |       |  |
|  |          |             |           |       |  |

PRINCIPAL LONDON BRANCH 100 Cannon Street LONDON EC 4N 6EH

BRANCHES IN LONDON 40 King Street (Covent Garden) 3 Sloane Street (Knightsbridge) I Nine Elms Lane (New Covent Garden) 74 Commercial Street (Spitalfields)

GENERAL MANAGEMENT INTERNATIONAL Paseo de la Cassellana, 81 MADRID-16 - SPAIN Tel. 455 60 02 - Telex 44458 BB-A1

> NEW YORK BRANCH General Motors Building, Suite 603 767 Fifth Avenue

PRINCIPAL PARIS BRANCH 29, avenue de l'Opera

Branches in France (12), U.S.A. (2), Gran Cayman (1) and representative Offices in Milan, Frankfurt/Main, Mexico, Tokyo, Caracas, Rio de Janeiro and Zurich.

1£ = 184,713 ptas. (31.12.81)

# Newplans for oil in Spain

We were separated

Now we are together.

For efficiency's sake For energy's sake

**ENIEPSA** 

HISPANOIL

**ENPETROL** 

**PETROLIBER** 

**CAMPSA** 

**BUTANO** 

**ENAGAS** 

33 | 45 <sup>2</sup> 37 <sup>1</sup>

Seven State companies grouped together in one big holding. Our way to invest better, to consume more rationally, to produce more. The best way to fully implement the objectives of our new energy policy.

A Group which keeps up with the new European dimension of Spain. Our way to face the energy challenge. Our good news.



Instituto Nacional de Hidrocarburos A chain with logic

> Paseo de la Castellana, 89 - Madrid-16 Telephone: (91) 456 53 00. Telex: 48162 INH-E

# BANCO DE SANTANDER The largest Spanish international banking network

# 1981 Highlights

|                                 | \$ million |
|---------------------------------|------------|
| Capital & Reserves              | 650        |
| Deposits                        | 6,396      |
| Loans & Discounts               | 4,897      |
| Investment Portfolio            | 906        |
| Reserves for depreciation, loan |            |
| locace & adjustments            | 114        |

Net Dividend per Share 57.30 Market Value (\$ million)..... Employees ..... Branches in Spain ..... Offices of our group abroad ....

Profit after taxes 92,06 \$ million - Shareholders 366,583

# BANCO DE SANTANDER GROUP 1.251 Offices in 23 countries

5 BRANCHES

Frankfurt London **New York Paris** Sao Paulo (to be opened)

1 AGENCY Miami

**3 REPRESENTATIVE** OFFICES IN EUROPE

Brussels Geneva Vienna

FINANCE COMPANY Santander Finance (Geneva)

11 REPRESENTATIVE OFFICES IN AMERICA

Bogotá Buenos Aires Caracas Guatemala City Mexico City Quito (to be opened) San Juan de Puerto Rico Santiago de Chile Santo Domingo

3 BANKS IN SPAIN

Sao Paulo

Banco de Santander Banco Comercial Español Banca Jover

11 BANKS IN AMERICA

Banco de Santander - Argentina Banco de Santander - Costa Rica

Banco Español - Chile

Banco de Santander - International (Miami)

Banco de Santander y Panamá (with Branch in El Salvador)

Banco de Santander - Puerto Rico Banco de Santander Dominicano

Banco Inmobiliario de Guatemala

Banco Sociedad General de Crédito (Ecuador)

Casa Bancaria Santander - Uruguay

# Established 1857 in Spain

## **Balance of Payments**

|                 |  |                        | 1969             | 1970             | 1971          | 1972             | 1973              | 1974                 | 1975                        | 1976               | 1977   | 1978           | 1979                  | 1980                  |
|-----------------|--|------------------------|------------------|------------------|---------------|------------------|-------------------|----------------------|-----------------------------|--------------------|--------|----------------|-----------------------|-----------------------|
| l.              | Imports (fob) Exports (fob)  | -                      | 3 865<br>1 994   | 4 357<br>2 483   |               | 6 237<br>-3 921  | 8 947<br>5 402    | 14 334<br>7 265      | 7 807                       | 8 990              | 10 612 | 13 480         | 18 352                | 32 389<br>20 928      |
| 3               | Trade balance  |                        | <del>-1871</del> | -1874            | -1 599        | -2 316           | -3 545            | -7 069               | <del>-</del> 7 386          | <del>-</del> 7 327 | -6 200 | -4 024         | -5 67 t               | -11 461               |
| 4.              | Services, net  |                        | 945              | 1 293            | 1 688         | 2 021            | 2 688             | 2 679                | 2 755                       | . 1 <b>89</b> 1    | 2 622  | 4 00 i         | 5 014                 | 4.424                 |
| <b>5</b> .      | of which:<br>Tourism<br>Transfers, net   |                        | 1 195<br>532     | 1 543<br>660     |               | 2 230<br>866     | 2 872<br>1 414    |                      | 3 0 <del>9</del> 6<br>1 143 | 2 690<br>I 142     |        | 4 917<br>1 656 | 5 558<br>1 782        | 5720<br>2 048         |
| 7.              | Систепт balance  |                        | -394             | 79               | 856           | 571              | 557               | -3 244               | -3 488                      | -4 294             | -2 164 | 1 633          | I 126                 | - 4 988               |
| 8.<br>9.<br>!0. | Private long-term capital<br>Official long-term capital<br>Total long-term capital |                        | 482<br>24<br>506 | 696<br>27<br>669 | -103          | 934<br>-3<br>931 | 810<br>-45<br>765 | 1 613<br>56<br>1 669 | 1 788<br>15<br>1 803        | 570<br>2 018       |        | -395<br>17[8   | 2 835<br>382<br>3 216 | 4 020<br>174<br>4 194 |
| 11.             | Basic balance  |                        | 112              | 748              | 1 355         | 1 502            | 1 322             | -1 575               | -1 685                      | -2 276             | . 858  | 3 351          | 4 342                 | -794                  |
| 12.             | Short-term capital, errors and   | omissions <sup>7</sup> | -342             | 65               | -98           | -11              | 370               | 782                  | 930                         | 1 204              | 287    | 507            | -830                  | 246                   |
| 13.             | Monetary movements (increase in assets = -)  | ·<br>:                 | 230              | -813             | -1 <b>257</b> | -1 491           | -1 691            | 792                  | 755                         | 1 071.4            | -I 146 | -3 <b>857</b>  | -3 512                | 548                   |
| 14.             | of which:<br>Changes in reserves   | î,                     | 258              | -854             | -1 492        | -1 623           | -1 299            | 732                  | 220                         | 800                | -1 145 | <u>—3 889</u>  | -2 985                | 1 342                 |
|                 |  | <del></del> -          |                  |                  |               |                  |                   |                      |                             |                    |        | . · .          | · .                   |                       |

## Foreign Trade by Commodity

|     |   | . 1977  | 1978    | 1979     | 1 A B O | 1701    | A **** | *****   |          |         |                   |
|-----|---|---------|---------|----------|---------|---------|--------|---------|----------|---------|-------------------|
|     | : .                                       |         | 1.      | lmports, | elf     |         |        | 2.      | Exports, | fob     |                   |
| 1.  | Agricultural and food products            | 214.1   | 242.4   | 259.6    | 314.9   | 364.2   | 168.2  | 202.9   | 254.1    | 275.7   | 356.8             |
| •   | Minerals                                  | 45.5    | 46.8    | 49.8     | 63.7    | 73.0    | 24.4   | 33.1    | 35.2     | 45.6    | <del>64.9</del> . |
| ~   | Oil products                              | 383.2   | 406.6   | 515.0    | 942.6   | 1 258.8 | 29.0   | 25.3    | 26.4     | 58.9    | 99.I              |
| ?.  | Chemicals, plastics and rubber            | 144.4   | 161.9   | 196.5    | 232.4   | 274.1   | 73.2   | 96.6    | 124.6    | 1:53.4  | 186.1             |
| 4.  |   | 19.6    | 23.4    | 28.3     | 19.9    | 26.6    | 16.3   | 19.2    | 24.5     | 30.0    | 34.6              |
| 2.  | Skins and leather                         | 25.4    | 25.3    | 28.9     | 39.9    | 30.2    | 11.7   | 13.7    | 16.8     | 23,1    | 26.0              |
| 6.  | Wood and cork                             |         |         |          | 42.5    | 47.9    | 26.0   | 35.4    | 45.8     | 59.7    | 72.3              |
| 7.  | Pulp, paper and books                     | 24.1    | 25.6    | 31.7     | 62.1    | 64.1    | 43.4   | 58.8    | 63.9     | 73.4    | 96.4              |
| 8.  | Raw cotton, textiles and clothing         | 44.5    | 40.7    | 50.1     |         |         | 17.2   | 20.8    | 24.8     | 39.0    | 52.6              |
| 9.  | Glass and pottery                         | 13.1    | 15.5    | 18.9     | 23.2    | 23.5    |        | 158.3   | 194.7    | 243.4   | 295.2             |
| 10. | Metals and metal products                 | 94.1    | 85.4    | 113.8    | 158.0   | 165.4   | 102.9  |         | 154.1    | 192.0   | 244.9             |
| 11. | Machinery and appliances                  | 212.8   | 214.4   | 233.7    | 307.4   | 359.4   | 93.2   | 119.0   |          |         |                   |
| 12. | Transport equipment                       | 43.4    | 53.4    | 78.6     | 113.7   | 134.3   | 103.7  | 135.2   | 166.4    | 198.4   | 231.0             |
|     | of which: Cars, lorries and tractors      | 36.2    | 43.2    | 58.3     | 84.7    | 83.7    | 74.4   | 104.2   | 124.9    | 163.5 - | 177.4             |
|     | Aircraft (imports), ships                 |         |         |          |         |         |        |         |          |         |                   |
|     | (exports)                                 | 3.8     | 6.3     | 15.0     | 21.8    | 42.7    | 24.6   | 22.4    | 31.5     | 18.9    | 32.2              |
| 13. |   | 86.3    | 90.2    | 99.1     | 130.3   | 148.9   | 66.1   | 83.1    | 90.1     | 100.6   | 128.5             |
|     |   | 1 350.5 | 1 431.6 | 1 704.0  | 2 450.6 | 2 970.4 | 775.3  | I 001.4 | 1 221.4  | 1 493.2 | 1 888.4           |
| 14. | Total                                     | 1 136.4 | I 189.1 | 1 444.4  | 2 135.7 | 2 606.2 | 607.0  | 798.5   | 957.3    | 1 275.5 | ·1 531 6          |
| 15. | Total less agricultural and food products | 1 150.4 | 1 147.1 | 2 7710-7 | 4 133.7 |         |        |         |          |         | <u> </u>          |

Customs clearance basis Source: Ministry of Econor

# REAL ESTATE

# 7-Year Slump Continues; Construction Prices Outpace Cost of Living Index

By Harry Debelius

MADRID — While there are exceptions to prove the rule, it is definitely a buyer's market in real estate in Spain.

The slump is not news for Span-ish real-estate dealers, who have been facing it for several years, but it is disturbing to them. At the same time it is a boon to certain

In 1981, for the seventh consecutive year, the construction sector grossed less than the year before. For the third consecutive year, domestic consumption of cement was down. At the same time, construction costs rose in 1981 by nearly 19 percent - about four points above

the cost of living index.

Although the trade in land and already built property continued shegish throughout the past year, with only a few bright spots, prices remained fairly steady in peseta terms. The only area in which they tumbled noticeably was in indus-trial real estate, reflecting the prolonged general recession.

**Reduce Capital Outley** 

Not only are fewer businessses expanding. Businessmen, anxious to maintain a satisfactory cash flow, reduce capital outlay and take advantage of tax provisions. are turning more often to rental rather than purchase of industrial and commercial premises.

In the midst of all this gloom, there are chalets in Marbella selling for more than \$1 million—and they are selling. There is no evidence yet of any slackening of demand in that particular jet-set milieu (a world that acquires new

(Continued from Page 9S)

Spain in the 1960s from underde-

velopment into rapid industrial ex-

pansion not only did not promote

exports but actually discouraged them, Mr. Arenas explained.

"All goods produced were needed inside Spain to meet the demands of the rapidly growing economy and, inversely, finding markets at home, Spanish industry had no need to self-outside. It was only offer the first his oil original.

only after the first big oil crisis, when the domestic market no long-

er grew enough, that producers had to seek markets abroad."

Interest in Debate

new markets, especially in the Arab world, to which 11 percent of

its 1981 exports went, in the Communist bloc and in the Far East; Mr. Arenas says "it is making a big effort" in countries including Ja-

pan, Indonesia, the Philippines,

Regarding the probable effect on exports of entry into the EEC, Mr. Arenas said only that "logical-

Singapore and Malaysia.

Spain continues to actively seek

Volume of Exports Triples,

But Payments Deficit Sticks

madena, for instance, near Mala-ga, is doing well, while towns only a few kilometers east or west of there are still dominated by the skeletons of buildings begun years ago and never finished.

It does not seem to be so much a matter of the quality of the beaches as the lun of the people who frequent them. Thus Marbella and Puerto Banus lit by a firmament of stars of cinema, sport and just plain money, are much in demand.

Plenty of Buyers

Certain small provincial capi-tals, like Cuenca and Soria, are also running counter to the trend.
There is no large-scale industry in these places, yet they are experiencing a demand for housing, and to a lesser extent commercial propto a lesser exient commercial prop-erty, which frequently pushes the per-square-meter sale price of con-struction higher than the price for comparable properties in reason-ably good locations in big industri-alized cities like Madrid, Barcelo-na and Bilbao.

The country's agriculture, pun-ished by persistent drought over the past few years, is hard hit. Par-adoxically, there seems to be plen-ty of buyers — without prices hav-ing dropped to sacrifice levels — for small to medium-sized farms and ranches and ranches. Property dealers attribute this

Property dealers attribute this tendency to the widespread back-to-nature fad that is noticeable in such other aspects as the boom in natural foods and the growing political pressure for attention to ecological balance. They also think it reflects a search for "safe" investment possibilities, in which the property is not likely to become Middle East).

Real-estate prices in Marbella have reportedly doubled in the past four or five years, in peseta terms, while they tended to stagnate in most of the rest of Spain.

A few other coastal areas needs to stagnate in the past four or five years, in peseta terms, while they tended to stagnate in most of the rest of Spain.

A few other coastal areas needs to stagnate in most of the rest of Spain.

A few other coastal areas, par-ticularly in the south, are benefit-et that permits them to consider ting from a brisk property trade, owning huge farms, ranches or pri-but the pattern is strange. Benal-vate hunting preserves are warier

sumer area in the world" and that "logically, membership could in-

crease our export market." He pointed out that Spain would be

the second largest country geo-graphically of the EEC and em-phasized that Spain was intensely interested in the continuing Com-mon Market depate about agricul-

In a separate interview, Fernan-

do de Asua, recently named chair-man of the board of IBM Spain, had strongly positive feelings about the effect Spanish entry into the EEC would have on the ex-ports of IBM, which already ranks among the top 15 exporting com-rantes in Spain

"The EEC will certainly benefit

exports; customs rates that we now

tural prices.

panies in Spain.

ly, it would be a good thing for companies in other countries," he Spain to be part of the largest consaid.

than before about the social implications of being large landowners, and they worry about the destiny of such estates under some future

leftist government. It is increasingly difficlut, not only from a social but also from a legal point of view, to retain vast undeveloped, under-farmed prop-erties in Spain for hunting or some

other purpose. A law regarding manifestly improvable agricultural land can be, and is occasionally invoked, particularly in de-pressed parts of the southern region of Andalusia, obliging the owners of such property to plant certain crops and make certain other improvements, such as improving irrigation if facilities are available, in order to increase the productivity of the land. Big landowners are also under pressure from the left in Andalusia, specially in areas where casual farm laborers are organized in unions, to

away with mechanization, regard-less of the effect on the profits. **Boosted Production** The areas where family-size

plant labor-intensive crops and do

farms are most in demand are those areas where new techniques, new crops and more water have boosted farm production. In Almeria, the dry southeastern province, land that 15 years ago was virtually worthless is being snapped up today because of the success farmers have had with earfruit and vegetable crops, or year-round crops, under plastic. In the Canary Islands, the drip sys-tem of irrigation, which uses much less water than traditional meth-ods, has sharply boosted the value of land suitable for growing ba-nanas, because water is in their supply and is expensive in the islands.

Real-estate dealers link major factors affecting the market at present to the universal recession, tougher Spanish tax laws, inflation, the return of Spanish workers from abroad, the reversal of the in-ternal population shift, government housing policy that has concentrated on promoting the con-struction of more dwellings even in the face of an apparent surplus, so-cial and political insecurity and a changing lifestyle.

In addition, certain areas are af-

fected by unique problems, Basque extremists, for instance, have induced a number of owners of small to medium business in the north to pull up stakes and move elsewhere, even if it means living on their cap-

The reversal of the population shift is the result of rising living costs and increasing unemploy-ment in the industrialized metropolis. Families that were previously attracted by the steady salaries and bright lights of the big cities are going back home to rural Spain or almost. Few actually return to the tiniest villages — there are still plenty of ghost towns but many are moving to the towns and smaller cities in their respective native regions, where they have famiy and friends to rely on and where they can live a generally simpler, less complicated, less expensive

have to pay will disappear, for example."
The strength of the dollar and the devaluation of the peseta are In Barcelona, for example, the population diminished by 150,000 between 1979 and 1981, and there also helping in the rapid develop-ment of our exports of such prodare 80,000 unoccupied dwellings, according to a municipal official. Other big cities are experiencing the same phenomenon. ucts as magnetic tape units and communication controllers for banking systems to IBM sister

To a certain extent, the trail was blazed for the new internal mi-grants by hundreds of thousands of Spaniards who worked in factories in West Germany, France, Switzerland and other countries north of the border in the 1960s and early 1970s, when Europe ab-

sorbed Spain's unemploy family farmland more productive. Others simply went be cause they had no other place to go when their jobs abroad ran out as

The influx in the affected towns stimulated a demand for house after a decade or more in which not even enough dwellings had been built to take care of what might have been the normal population growth. It also created a de mand for additional products and

services in those places.

It is not entirely accurate to say that the reverse migration repre sents a mere relocation of the unemployed. Some of the returnees have modest savings. Some have the proceeds from the sale of their principal dwelling elsewhere. Most have skills acquired in the places where they worked, skills that can be put to use, and profitably so, in the newly burgeoning populations. Thus, economic stagna-tion is remarkably less noticeable in a number of provincial capitals than it is in the working-class dis-

tricts of the big cities.

Meanwhile, real-estate patterns in the big cities are changing in other ways. The middle-class rush to buy a second home in the countryside around Madrid, Barcelona or other big cities for weekend and vacation use is over. Such cities are flooded with folders and leaflets offering tiny houses or building plots in the countryside at rock-bottom prices today, but there are relatively few takers.

By contrast, there is a modest but growing demand for single-family dwellings on the outskirts for year-round living. Madrid, like most Spanish cities,

is a place of apartments rather than individual houses. Until little more than a decade ago, travelers entering the city on most access roads noticed how it suddenly and abruptly rose from the land around it. There was no gradual sensation of entry into the metrop olis. The city simply began or end-ed in a sheep pasture beside tall

apartment blocks. Now, Madrilenos, particularly in the upper-middle income range. are starting to swap their flats for homes with a patch of garden in rapidly growing subarban communities at Majadahonda, Pozuelo, La Moraleja and even ourtain peripheral industrial centers like San Sebastian de los Reyes. Their decision is undoubtedly mfluenced by the ownership of ope or more cars per family, vital for transport. Property agents feel this trend might have been stimulated through more foresignt on the part of the authorities; they point out that Spain's public transport facilities, including road and rail net-works, are worfully inadequate for the needs of suburban communers.

Another factor depressing the residential real-estate market is the drop in the practice of purchasing apartments as investments, to be rented out. The combination of relentless inflation, laws that control rents and make it difficult to evict tenants, and new tougher income and patrimony taxes has shariply reduced the attractiveness of

MADRID — "The worst thing that the Franco system did," Spanish Labor Minister Santiago Rodriguez Miranda said, "was to take liberties from people

was to take internes from people but give them security."
Under Franco's regime, which lasted almost 40 years, the only legal union was mandatory and state controlled. On the other hand, a private company had to prove it-self on the verge of bankruptcy be-

ser on the verge of pankruptcy be-fore it could lay off a worker.

The 1978 constitution guaran-tees the right to form and join trade unions, to engage in collec-tive bargaining and to strike. This new era in labor relations was launched during a period that has proven to be extremely difficult for workers as well as for manage-ment. In 1977, the year that union activity was legalized, 5.8 percent of the work force was unemployed.

By the beginning of this year, the figure had risen to 13.5 percent.

The problem of unemployment has caused the young union movement to form within an atmosphere of insecurity, creating rela-tively non-militant unions that clearly place employment ahead of wage and benefit demands. Diego de Pedroso, president of the labor relations committee of the CEOE (Spanish Confederation of Employers Association), which represents private business interests, de-scribed it as "a psychosis of unem-

## Szpali Unions

After unions were legalized, many small ones immediately appeared; some were regional or from small political factions. In the 1980 elections of worker representatives to a joint council with employers, 14 unions participated. It was agreed that only unions receiving more that 10 percent of the worker vote would be entitled to bargain (unions with 15 percent in specific region can participate in bargaining within that region).

Due in part to a large independcat vote, only two unions achieved the minimum national percentage: the Communist Party-backed CCGO (Workers Commissions) and the Socialist-backed UGT General Union of Workers). bergatting powers remain active although relatively impotent. They union, an anarchist union, a Marxist-Leninist group and a union backed by the extreme rightist Fuerza Nueva (New Force).

A large part of the work force ains nonunion. The unions claim that 30 percent of the salaried workers are organized, which would be 2 million workers of an

A UGT spokesman, Jeronimo Saavodra, said that one of the main problems in organizing was that the 1980 agreement guarantood the negotiated contract to all workers in a sector, even if they are not affiliated with any union. The unions are further weakened by the fact that they are poor (because of low membership) and have no fund to sustain their membors during a strike.

Many people are not affiliated with a moon and understand that the important thing is to have a job," said Jose Luis Ceron, president of the CEOE's economic commission and a former Franco Cabinet transster who still promi-nently displays the late leader's photograph in his office. "I think the government is too afraid of unions," he said.

## Good Relations

Nevertheless, the private sector and the government have made an effort to maintain good relations with the unions, and the effort has paid off. According to the CEOE, the private sector lost 170 million hours in strikes in 1979 and only 70 million hours in 1980 and even less in 1981, Mr. Rodriguez Miranda expressed confidence that this tread was continuing this year, but the CEOE disagrees with this as-

The CEOE believes that the curtent pact between the two main unions, the government and itself
known as the ANE (for National Employment Agreement) — is not as successful as its predecessor.

The AMI was signed to cover a two-year period from 1980 through 1981. It guaranteed minimum and percent and 16 percent the first year and 11 percent and 15 percent the second year, with provisions for inflation. It was signed by the CEOE and the UGT, but the CCOO rejected it. According to a CCOO spokesman, the union felt that "the accord offered too much salary moderation with not enough gust an loca in return."

The new accord promises even more salary moderation, with de-minds being held to between 9-and 11-percent raises. But the government also signed the ANE and promised to maintain to the end of this year the same number of salured employees as in June.

1981, when the ANE was signed.

## Primine Discounted

Neither the two unions nor the CFOE believes that the govern-turnt is capable of living up to this promise. From the beginning, we didn't think this was possible. We clearly stated that it is the government that makes this cagage

Today's young new economists of democracy maintain that there was no link between Spain's earlier 'economic miracle' and Franco's rule, that it was purely a historical coincidence - perhaps also linked to the general recovery going on in the rest of Europe.

# PERSPECTIVE

MADRID — Economic "oldtimers" in Spain — the men who made the economic decisions and ran the economic ministries under Franco — tend to

ran the economic ministries under Franco — tend to be "leaving on a trip this very afternoon" or "booked solid with conferences for the next two weeks" or simply "convinced that anything I had to say would no longer be of interest" when approached to talk about their personal experience and views of the economic policies of those years.

"They never give you a flat 'no' but they really don't want to talk about it; of course there's no danger in it for them and no real shame, either — everybody here knows exactly what positions they held and what went on. We all lived through it, too," said one long-time observer of the Madrid business and financial scene.

Fortunately for those interested in economic perspective, there exists a whole new breed of articulate, spective, there exists a whole new oreen or articular, intelligent younger economists who, having started their careers in the 1960s and '70s — working in junior positions in economic ministries here or in the OECD in Paris or in bank offices abroad — have risen to roles of significant importance in Spain's new economy under a democratic government. Most of them have reflected at length on the differences be-tween Spanish economic policies "then" and "now" and seem eager to discuss them.

## Historical Coincidence

The first point many of them stress is their belief that the coincidence of the dictatorial Franco regime with a flourishing, expanding economy—the "Spanish economic miracle" of the '60s—and of the post-Franco democracy with economic problems such as inflation, high manufactures and a reparity halfage inflation, high unemployment and a negative balance of payments — were just that, historical coincidence.

"Two factors especially, coincided to produce the great development process of the 1960s," said Luis Alcaide, an economist with the Bank of Spain who worked in the Commerce Ministry in the '60s and 70s. "They were the liberalization of the Spanish economy and the general growth of the European economy; only acting together could they have the powerful effect they did.

"Portugal, for example, was unable to take advantage of European growth because it lacked economic

Spain's "liberalization" at that point, he and others are quick to point out, was a relative matter; economic liberalization as most of the world understands it has been carried out since the death of Franco in

In light of current problems, then, in the wake of the oil crisis, with unemployment and inflation and slow growth — the international rule — what would Spain's economic situation be if the Franco era were

## Prosperity of the '60s

"If Franco were in power now, under today's difficult international economic conditions. I believe we would have the same economic problems we have now, except that they would be worse, because the economy would still be too regulated," Mr. Alcaide proaching 30 percent.

Pondering the same question, Luis Angel Lerena, director of economic studies at the Banco de Bilbao, concluded: "It is impossible for me to imagine that the Franco government could have stayed in power given the new international economic situation. I think it would have been brought down by it, since one of the main things that kept Franco in power was the economic prosperity of the '60s."

The Franco government went on so long - from the end of the civil War in 1939 until Franco's death in 1975 — that, not surprisingly, it passed through

several distinct phases of economic policy.

The first period, from 1939 to 1950, was basically a time of reconstruction of war damage and of trying to feed the Spanish people, both tasks complicated by the government's political isolation. But the idea of industrialization was important, too, from 1939, to meet the goal of autarchy, or economic self-sufficiency, that was popular among Fascists at the time.

The National Industry Institute was founded that very year to be "the weapon of Spanish industrialization" as a banker described it.

Between 1950 and 1953 came a new period, in which major enterprises like the SEAT automobile works were set up. Development accelerated - still based on substituting Spanish goods for imports rather than producing exports — and the political regime started to make overtures to the outside world.

## Rapid Growth

In 1953, the United States recognized the Franco regime, and in 1955 Spain entered the United Nations. Domestic growth continued at a rapid pace un-

til a balance of payments crisis in 1959.

There was no money left to pay for imports and Spanish reserves were exhausted; the dream of selfsufficiency proved impossible to fulfill," said Jose Luis Leal, an economic adviser in the Banco de Vizcaya, who was Spain's economic minister in 1979 and 1980.

New directions were taken: a stabilization program was adopted and in a cabinet resintfile, old-line Falangist ministers were replaced by technocrats.

to take this responsibility."

vate sector.

tion process.

Mr. Rodriguez Miranda pointed

out, however, that the national budget has \$8 billion earmarked

for labor. The minister intends to

create between 100,000 and

ment," said Mr. de Pedroso. "It is not that we do not wish it, but we whom unemployment is more than whom unemployment is more than 35 percent) by paying for social charges and part of salaries. He is also launching a program to take a worker's unemployment benefits did not think it was possible for us "It is the point [of the ANE] most difficult to fulfill," said Hecand use them toward salary if an tor Maravall of the CCOO. Mr.

employer can be found. Rodriguez Miranda acknowledges The system inherited from the that 350,000 jobs will have to be Franco era is thought to discourage employment. "Compa-nies are horrified of taking people created to maintain the employ-ment level but he claims that 15,000 public works jobs are being created this year and that 400,000 and keeping them for the rest of their lives," he said. The governjobs are being created in the priment is permitting a large number of temporary contracts. Although the unions have agreed to these m principle, they are growing uneasy

The government also considers restructuring industry to be a major priority. Under Franco, indusas the government pushes for a try was only production-oriented greater number of such contracts. and gave little thought to import-They fear that permanent jobs are export cost compenitiveness. Many Spanish industries are considered being replaced by temporary ones. overstaffed, which is particularly troubling with the approach of en-It is not clear what will happen at the end of this year, when the ANE expires. The government would like an ANE-2 but the try into the European Economic

Community and an accompanying CEOE would prefer an agreement removal of protective tariffs. without government participation. The UGT and the CCOO also "We think it is better to keep 60 to 70 percent of the jobs safe than to lose 100 percent," said Mr. Rohave little enthusiasm for the present pact and seem to feel that they driguez Miranda, In 1981, with had to settle for it to ensure a meagovernment encouragement. 70,000 jobs were eliminated by ressure of political and economic stability in a time of crisis, Nerthetructurization. The unions accept less. Mr. Maravall of the CCOO the necessity of this restructurizapredicted increased "mobilization" jointly with the UGT.

Mr. de Pedroso said, "I would like to tell the unions, 'Put aside your politics and put aside your dogmatism and we will do the

all, created an industry."

Mr. Leal listed the most significant effects of the development boom of the '60s as industrialization and the development of tourism.

The 'developmentalist' — in Spanish, 'desarrollis

"With the arrival of the new ministers, the country began to be opened," Mr. Leal said. "The government developed tourism and tried to modernize the econo-

my. It reduced protectionism and most important of

The 'developmentalist' — in Spanish, 'desarrollista' — policy was quite disorderly, though, with the government investing heavily in capital-absorbing industries like steel and shipbuilding but not trying to foresee changes there; there was no concern either over the problems rapid growth would bring to our cities." Mr. Leal said.

"Also, nothing was changed in our banking and financial sectors, which in many other countries were modernized and liberalized in the '60s."

Luis Angel Lerena commented: "With the growing

Luis Angel Lerena commented:, "With the growing economy in the '60s, our problems seemed to be minor. We had a tremendous growth in per capita income in 10 years. Spain changed from being agricultural to almost developed in that time.

## Solved by Migration

"We had no unemployment; migration to even

more prosperous countries of Europe took care of our workers. I think we could not see real problems, like our too great dependence on energy from abroad, because they were hidden by prosperity."

The international economy expanded and the Spanish economy thrived. As several Spanish economists put it, "the Franco government was able to profit politically from Spam's prosperity." None, however, suggested that Franco was very personally involved in economic policy. involved in economic policy.

Spain took no immediate economic action to deal

with the 1973 rise in oil prices, so the effects of the crisis were felt later there than in the rest of Europe. To appease labor, in fact — with unions still illegal — the Franco government continued to grant wage increases that outpaced the cost of living when other nation's economies were in recession.

"The problem was that the Spanish economy had outgrown Spanish institutions," said Eduardo Merigo, president of VISA Spain and deputy director of the economics department at the OECD from 1962 to

"Big economic growth was compatible with the Franco regime but when the oil crisis hit, the rigid financial system and closed economy were incapable

of adjusting to the new situation.

"It is not generally remembered that in the last year
of Franco's life, the economy grew at only 1 percent,"

After Franco's death at the end of 1975, King Juan Carlos I and his first governments postponed dealing with economic problems, according priority to political problems until after the first democratic elections. , in Spain in 40 years in June, 1977. At that point, a process of economic readjustment could no longer be put off — Spain was plagued by slow growth, rising unemployment and an annual inflation rate ap-

## Recovery Plan

The Moncloa Agreement, signed by all political parties on Oct. 25, 1977, and ratified by the parliament soon after, provided a basic recovery plan for the economy, involving pledges of wage restraint and more economic control to parliament. More recently, in the National Agreement on Employment, or ANE, signed in June, 1981, the government employers' association and the nation's two largest labor unions reached a consensus on making some cut in real wages for 1982.

The peseta was devalued to increase external competitiveness in 1977. That operation was coupled with tax reforms that economists say have significantly reduced social injustice in a country where there was previously no real income tax and the rich paid the same indirect taxes as the poor.

The banking system has been liberalized, financial reforms have been carried out. Dependence on imported energy has been reduced. But the economic adjustment begun in 1977 is still continuing; growth is slow and consumer prices rose by almost 15 percent

Jose Luis Leal acknowledged that the Spanish peo-ple were getting tired of the long adjustment process, but he said he felt there was reason for real satisfaction over Spain's recent economic achievements.

"It is my impression that in 1977, this society was still hesitating between a Third World and a Europe-an system and that we could easily have swung into a Third World economy," he said. "Fortunately, inflation was brought under control and the trade unions emerged as responsible.

I think the Spanish economy is in better shape than it was 10 years ago. Interprises are more solid, better organized and better managed than a decade ago. The economic system is more mature, more com-

"This whole society, in my view, has matured a lot and gained in depth and in quality, which is reflected in the Spanish theater, in painting and in music as well as in the economic world."

from social and economic col-lapse.' But with national elections approaching, the atmosphere seems to be growing more, rather than less, politicized." --- MARK J. KURLANSKY

same thing and try to save Spain

# OECD Report

sion of public expenditures on health, education, welfare and infrastructure, with the trend toward regional and local autonomy adding to public financing require-ments, the study says.

The share of public expenditures going to basic public services and investment should be increased, while handouts to uncompetitive enterprises should be cut back, all the more so that this indirectly hits dynamic and efficient firms, in terms of availability of credit and mieresi raies.

lems, says the OECD, can be summarized as how to obtain a sus-tainable, not merely temporary upturn of economic activity without accelerating inflation, and how to nerate the maximum number of iobs with a GDP "unlikely to grow very fast over the next few years."

- VANYA WALKER-LEIGH

TO SEE THE SECOND OF THE SECON

## **Crand Class**



First Class



Preference Class



**Economy Class** 



# Iberia announce four great ways to fly.

These symbols identify the new classes which Iberia, International Airlines of Spain, bring you now.

In Iberia's Grand Class, everything is designed so that you will discover the ultimate pleasure of flying.

Grand Class offers you gournet menus and vintage wines; exceptional service to attend to your well-being at every moment; and Iberia's new sleeper-seat- so spacious and comfortable that when you recline, it feels like a bed. So that you arrive totally

Iberia's First Class offers traditional

high standards of service for your every need: fine meals, vintage wines, an open bar and, in some airports, special lounge.

And now Iberia has created a completely new class. Preference Class (\*). Preference Class is ideal for the businessman with no time to spare. It promises you a fast check-in at a separate counter, a separate cabin in-flight and outstanding service.

Finally the New Economy Class of Iberia offers remarkable money-saving, yet provides a thoroughly enjoyable flight, with improved service and personal attention. Choose a great way to fly, with Iberia.



(\*) Up to November on limited flights only.

# Let us solve your problems

# Banco de Vizcaya speaks the language of your business.

## INTERNATIONAL BANKING DIVISION Paseo de la Castellana, I IU - Madrid-6 Tel. 411 20 62 - Télex: 22571 - 42382

INTERNATIONAL BRANCH OFFICE Paseo de la Castellana, I 10 - Madrid-6

Tel. 411 20 62 - Télex: 45160 INTERNATIONAL BRANCH NETWORK

58-60 Moorgate London EC 2R 6BN Tels. (01) 920 01 21 Telex: 893461/2

15, Avenue Matignon, 75008 - Paris Tel. (1) 359 55 09 Telex: 64 14 23 / 5 Branch Herengracht, 479 1001 JC Amsterdam

Tel. (020) 26 30 33 Télex: 13582 16288 400, Park Avenue, N.Y. 10022 Tel. (212) 826 - 1540

Télex: 66199

Amsterdam

Branch

650 California Street San San Francisco. California 94108 Francisco Tel. (415) 392 - 2530 Agency Telex: 67534

One Biscayne Tower, 38 th. Floor 2 South Biscayne Boulevard Miami Miami, Florida, 33131 Tel. 305-358-9882 Agency Telex: 441540 C.O. Roywest Banking Corp. Ltd. P.O. Box, 4889 - BAHAMAS. Nassan

Kanoo Tower (Phase III) 4 th Floor - Tujjard Rd. Bahrain Manama - State of Bahrain Tels. 25 32 61-25 33 40 Telex: 9060 O.B.U.

| Argentina | Avda. Corrientes, 311<br>Oficina, 101<br>Buenos Aires, 1043<br>Tels. (541) 361 20 65-361 21 15<br>Télex: 17739           |
|-----------|--|
| Brazil    | Rua do Carmo, 11<br>Andar 19<br>Río de Janeiro RJ<br>Tels. 242 70 26 - 242 86 06<br>Télex: 2132591                       |
| Chile     | Paseo de Ahumada, 254 - 30<br>Oficina, 31. Santiago de Chile<br>Tel. 72 66 41<br>Telex 94946 BAVIZ-KU                    |
| México    | Avda. Juárez, 4<br>México, 1 D.F.<br>Tel. 585 00 30<br>Télex: 1777460  |
| Venezuela | Avda. Francisco Miranda<br>Edificio Torre Europa<br>Oficinas 7 y 8. Caracas<br>Tels. 33 43 53 - 33 25 08<br>Telex: 23532 |
| Germany   | Friedenstrasse, 11<br>6000 Frankfurt Main 1<br>Tel. 23 32 91<br>Telex: 413215  |
| Italy     | Via Alberico Albricci, 9<br>10, Interno D. Scala A<br>Miján - 20122.<br>Tels. 87 55 25-86 76 61                          |
| Japan     | Yurakucho Denki Bldg., 652<br>7-1, 1 Chome - Yurakucho<br>Chiyoda-ku<br>Tokyo 100<br>Tel. (03) 2870791<br>Telex: J 29472 |
| Hong-Kong | Connaught Center 2.114<br>Hong-Kong Central<br>Tel. 216 349<br>Télex: 62898  |
|           |  |

REPRESENTATIVE OFFICES

Banco de Vizcaya

Gran Via, 1 - Bilbao - Spain, Tel .: (94) 416 64 00, Telex: 32040

4.2

: 512

# Tourism Stable Despite Terrorism's Inroads

MADRID — Take a nation with an important tourism industry. Add an armed autonomy group that periodically sets off bombs, a food-poisoning epidemic that kills more than 250 people and hospitalizes 20,000. Add to that a dramatic coup d'etat attempt with congress held at gun point and rebel tanks rolling down the streets of a provincial capital. Logically, this is the formula for a tourism industry in a deep crisis. But this was Spain in 1981, and the tourism industry, which accounts for 7.5 percent of the gross national product, had a miraculously good year.

Even in the Basque provinces where political violence is notorious, tourism, which had been slackening off in recent years, was stable and the festival in San Sebastian was unusually successful. "Europeans are used to terrorists," said a spokesman for the secretary of state for

Last year, Spain received more than 40 million visitors, which is 5.5 percent more than the year before and almost 3 million people more than the native population. The fact that the tourists came in spite of scandals and crisis demonstrates the solidity of the trade.

Tourism has risen dramatically in Spain since 1950. While there are 11 times as many tourists in the world generating 44 times as much money today as 30 years ago, Spain re-ceives 50 times more tourists and brings in 400 times more money than in 1950.

Tourism has become an important and dependably favorable factor in the Spanish economy. It brings in needed foreign currencies and a sum of money that compensates for more than half of the yearly balance-of-trade deficit. It employs eight percent of the working population (more than one million jobs are created directly or indirectly by tourism).

Unfortunately, a great deal of tourism employment is only seasonal. August accounts for 40 percent of annual tourism. July is also sproportionately busy. The government would like to promote more even year-roundtourism. But a great many tourists are north-ern Europeans looking for beaches and sun. The beach areas of the Mediterranean coast, the Balearic islands and the Canary Islands receive 93 percent of the hotel nights.

FUERZAS ELECTRICAS DE CATALUÑA. S.A.

Plaza de Cataluna, Nº2-Telf.: 3 18 08 08-BARCELONA

The Spanish government spends \$20 million every year on promoting tourism. A great dealof this is spent in Europe on their leading customers. The largest national group of visitors (not necessarily tourists) are French. The Portugese are second, followed by West Germans

But the government is now making a promo-tional effort to draw tourists from the United States, Japan, Brazil and Mexico. These people have beaches closer to home and so the Spanish must try to sell a different Spain - one of cities and culture and good food. They have been particularly successful with some of the more famous festivals such as Pamplona's San Fermin and Valencia's Las Fallas.

This year there are fears that the season will be damaged by British resentment of Spain's pro-Argentine sentiments. But the Spanish tourist industry seems certain to counter this problem as they have others. And the estimated 300,000 visitors that the World Soccer Cup will bring should help.

- MARK J. KURLANSKY

# Progress In Cutting **Inflation**

payments currently amount to almost 3 percent of the gross national product.

just beginning to study Spain's underground economy — people working, producing, buying and selling totally outside the recorded economy. Spaniards are notoriously distrustful of government structures, and many observers believe three years of negotiations. Spain that there is a huge illegal econowill increase total EEC farmland that there is a huge illegal econo-

my.

"By definition, you cannot know how large anything underground is," Mr. Garcia Diez said. "I think it is not as big as some people think, but I think it could tend to increase." He thinks that the high costs of employer payments to so-cial security and the vast numbers of people collecting unemployment compensation were factors that would spur this increase. Another major concern is high U.S. interest rates, which he claimed force Spain to keep its own rates too high. "We are stopping internal recovery," he said.

Mr. Garcia Diez also expressed concern about the strength of the dollar and the fluctuations in the international money market, and called for an international effort to stabilize currencies. "Our importers and exporters are always a bit lost as to what their profits and costs in pesetas will be." He does not want a fixed rate of exchange fort to lessen fluctuation. "I do not 1982, due to lower oil imports (one see this kind of cooperation as being too easy but what is clear is that we are suffering as a result of this high interest rate policy in the On the other hand, Mr. Garcia

Diez asserted that he did not consider the negative balance of payments to be a problem because he expects it to diminish even though it is increasing bilaterally with the United States. He cited areas that trade in dollars, such as Latin America and the Middle East, as rapid growth areas. Black Africa and Southeast Asia were men-tioned as regions where Spanish exports had been unknown and

were beginning to expand.

On the question of Third World development, Mr. Garcia Diez said, "We feel that the world economy cannot be healthy if we do not make improvements in underdeveloped countries."

believe that they cannot afford to take on the additional agriculture and costly surpluses from Spain until the CAP has been revised. Mediterranean Area In the course of Spanish negotiations, another, perhaps more complicated, problem has become apparent. Mr. Natali said, "The apparent of complication loss and the said," problem [of agriculture] is not only a problem of the Community. It is a problem with the entire Mediter-

In the decade since the begin-

ranean basin."

ning of the oil crisis, the Common Market has entered into a series of politically motivated bilateral trade agreements with Mediterranean countries such as Morocco, Algeria, Tunisia, Egypt, Jordan, Syria, Lebanon and Israel. These countries have an agricultural production very similar to Spain and are beginning to develop industry along a similar pattern. After Spanish entry creates a surplus in these products, the EEC will not only stop importing from the rest of the Mediterranean but the normal practice would be to subsidize

The EEC is exhausting its financial resources on the Common Agricultural Policy (CAP), a system se countries, which in many cases have developed their production for the European market. "We risk totally destabilizing the Tuniof farm subsidies that uses almost three-quarters of the budget. Memsian economy," he said, citing one of the most severe examples. "We have created privileged ties which ber countries, particularly France, we must maintain because a change in commercial relations in these countries, which are now directed toward Europe - toward the Community — a change toward, for example, the countries of Comecon [the Soviet-dominated East European trading bloc would create a problem situation that would be fairly political."

EEC Official Urges Rapid Solution

The search for a way to maintain these markets after Spanish entry is creating tensions with the United States. If Spain joins the Common Market, which was in part created to compete with the United States the ECC with the United States, the EEC will at last have achieved a larger gross prod-uct than the United States. Americaus are growing increasingly con-cerned by the subsidy trade prac-tices of this expanding European

Mr. Natali believes that the Common Market must protect trade with Mediterranean conntries. "The United States has to understand that this operation is politically profitable," he said. "The United States is attacking

To Problems Delaying Europe Link the repercussions this would have ments we have made with Mediterranean countries. I find that it is an economically and politically contradictory position because I believe that it is in our common interest that the situation in the Mediterranean is kept stable," he

As for Spain entering as planned in January, 1984, Mr. Nataii would only say, "We think there is the possibility to keep the date." The European Commission wants Spam and Portugal to enter together. While Portugal does not present the economic and political problems that Spain does because is much smaller, an EEC source said that Portuguese negotiations were bogging down in "technical problems" with the Portuguese

negotiators.
With or without Portugal, it seems certain that Spanish negoti-ations will not be completed until agreements are reached with third countries and internal differences on agriculture and fishing policy are resolved. The internal differences seem as far from a solution today as they did three years ago. Since it would take approximately a year to ratify a final Spanish agreement, it is quite possible that the entry goal will soon be changed again — this time to 1985.

# Optimistic View Prevails at the Bank of Spain

MADRID — The governor of the Bank of Spain, Jose Ra-mon Alvarez Rendueles does not share certain gloomy assessments made in private banking circles about Spain's external finances.

BRUSSELS — "I am convinced that the moment has come to

reach a solution because I under-

stand that public opinion could not comprehend dragging it out any longer." Lorenzo Natali said about negotiations for Spanish en-

try into the European Economic Community. Mr. Natali is the Eu-

ropean commissioner charged with

For the EEC as well as for many

people in Spain, the desire for Spanish entry is largely a political one. Therefore, the attempted mili-tary coup in Spain last year gave Europeans added incentive to ex-

pedite negotiations. Mr. Natali

speaks of a "new clan" in the talks with Spain this year. "The Spanish

European option," he said, "is a political option — a democratic option — and I believe that on the side of the Community there has

been an awareness of the necessity to give a signal." But for reasons that are equally

political, Mr. Natali is finding it

difficult to give much more than a

signal. The internal economic con-

sequences of Spanish entry have been widely debated in the last

by at least 27 percent and overbur-

den the European market in Medi-

terranean products. The entry of Spain and Portugal will create an

"At \$25 billion, with foreign exchange reserves of \$14 billion, our external debt is not a grave problem," he said in an interview.

"Our debt has grown to finance our balance of payments deficit. now at \$5 billion. As this declines, the rate of growth of our external debt will fall. The current balance system but rather a multilateral ef-ment in the first three months of

creased exports," he explained.
"We aim to lower the deficit by S1 to \$1.5 billion in 1982, and I am confident it should reach \$3.5 billion to \$4 billion by the end of the year. I see our current deficit in 1985 as around \$1 billion — a natural deficit which is manageable and can be financed. There is no reason for us to aim at a surplus."

The peseta can maintain its value in relation to the EEC average, Mr. Alvarez thought, and is at present a bit undervalued in relation to the dollar. "I see the equilibrium rate as between 95 to 100 pesetas to the dollar, but not either below 95 or above 105 pesetas."

Community within the next 18 months as planned, Mr. Alvarez sees no reason for Spain to join the European Monetary System right away. "If your situation in terms of inflation rates and other varia-bles is different to other EEC countries, this would be a bit suicidal. I don't see EMS entry as a Spain's commitment to intro-

duce a value added tax upon entry to EEC, will have an inflationary impact, he admitted "though I hope inflation will be below 10 percent when it is introduced. The major problem with the value added tax will be its administration by the treasury and business."

However, Mr. Alvarez warned that if the present government — or its successors after the forthcoming legislative elections—went in for a strongly expansion-ary policy, "then we would have problems. If our inflation rate, public sector deficit and debt all grow, then the peseta would come under attack. As we favor a floating currency, it would float down-

Emphasizing he was not a politi-cian, but a technician, Mr. Alvarez thought that should the Spanish Socialist party win in the next elec-tions, it would not introduce a strongly expansionary policy be-cause of objective constraints in-herent in the Spanish economic sit-

"In my view, a Socialist policy would be a good deal less expansionary than that of the present · VANYA WALKER-LEIGH

de

# SPANISH DEFENCE EOUIPMENT

# 

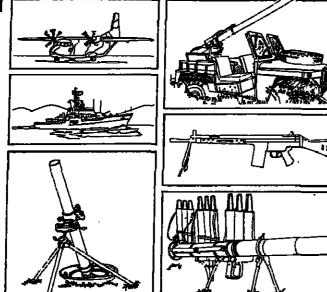
PUBLIC UTILITY DEDICATED TO THE ECONOMIC GROWTH OF THE NATION

# DEFEX,S.A. created by the Spanish Defence Industry to promote its products.

- AMMUNITION
- AVIATION

NPS Ascó

- AUXILIARY **EQUIPMENT**
- WARSHIPS
- LIGHT
- **WEAPONS** HEAVY
- ARMAMENT
- MILITARY **TRANSPORTS**
- ELECTRONIC **EQUIPMENT**



ASSOCIATED ENTERPRISES

BEMPRESA NACIONAL
BAZAN DE CONSTRUCCIONES
NAVALES MILITARES, S.A. ●ESPERANZA Y CIA, S.A. OUNION EXPLOSIVOS RIO TINTO, S.A.

OEXPLOSIVOS ALAVESES, S.A. ●S.A. PLACENCIA DE LAS ARMAS OPLASTICAS ORAMIL, S.A. OSTAR, BONIFACIO ECHEVERRIA, S.A.

CONSTRUCCIONES AERONAUTICAS S.A. (C.A.S.A.) ●EMPRESA NACIONAL DE OPTICA, S.A. ●EXPERIENCIAS INDUSTRIALES, S.A. ●EMPRESA NACIONAL-"SANTA BARBARA" DE INDUSTRIAS MILITARES, S.A.



## EEC Talks: Tone Fresh (Continued from Page 9S) able, are becoming critical of EEC

Community's internal farm policy can continue to block a Spanish agreement. And after years of arguing, the EEC still has no com-Spain, with a larger fleet than any of the members, has been unable to move talks in this sector.

Spanish industries such as steel

DREXEL BURNHAM LAMBERT DREXEL BURNHAM LAMBERT DREXEL BURNHAM LAMBERT

DREXEL BURNHAM LAMBERT

DREXEL BURNHAM LAMBERT DREXEL BURNHAM LAMBERT

have been painfully preparing for entry — cutting production and climinating thousands of jobs. Many Spanish businessmen and labor spokesmen agree that the restructuring would be necessary even without EEC entry. But as negotiations drag on, businessmen in Spain, originally strongly favor-

The agreed target date for Spanish entry is January, 1984, which is a postponement of the 1983 date. Another postponement would be tain Spanish economic sectors such as steel have indicated that they would not be ready by 1984. Brussels is also far from ready.

With necessary optimism, the government claims to expect to sign the treaty by January, 1984. Mr. Bassols said, "Impatience is changing in private enterprise to alarm and a certain sense of the risk of what will happen when we enter"."

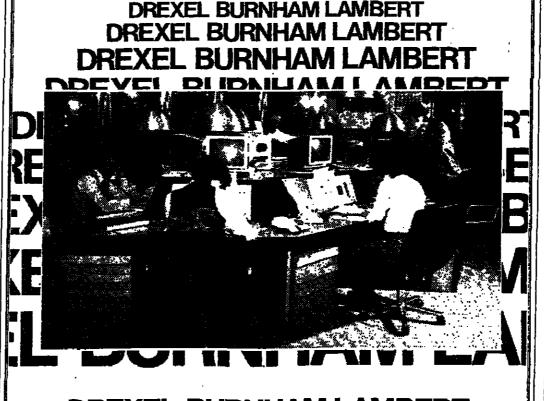
— MARK J. KURLANSKY



PETROLEUM EXPLORATION AND PRODUCTION IN SPAIN AND OVERSEAS

> Head office Pez Volador 2 Madrid 30 Spain Tel. 2747200 Telex.22114- oilsp-e

HISPANOIL (U.K.) L.T.D. 33 Sloone Street London SW IX 9NR Tel. 01-235 9256/7 Telex. 8954041. HISPAN-9



# DREXEL BURNHAM LAMBERT

## MEMBER OF:

- \* Chicago Board of Trade,
- \*London Metal Exchange, (Ring Dealing Members through MACLAINE WATSON & CO., LTD., wholly owned Subsidiary) \* New York Cocoa Exchange,
- \*New York Cotton Exchange,
- \*New York Coffee & Sugar Exchange,
- \*Commodity Exchange Inc.,
- \*The Coffee Terminal Market
- Association of London, \*London Cocoa Terminal Market Association.

## Representative office in Spain:

Paseo de la Castellana, 149. Madrid-16. Tels. 270 18 05 - 270 28 99 - 270 41 22. Télex 45023 Drex-e · 45075 Drex-e.

# Debate Developing on Major Role of Foreign Capital in Industry and Business

MADRID — "Quien manda en Espana?" (Who's in charge in Spain?) is one of the resctions in press, political and business circles to a spate of figures released in recent years about the role of foreign investment in Spanish

A 1980 survey by the Ministry of Economy and Commerce, using 1977 data, shows that while foreign investment is less than 3 percent of total Spanish investment, the share of foreign-twined capital in the total capital of key sectors is 59 percent in automobiles, 42 percent in leasing and in soaps and detergents, 36 percent in other chemicals, 32 percent in plasucs. 30 percent in pharmaceuticals, 27 percent in household electrical goods, 26 percent in insurance and metal foundry, 20 percent in min-ing, 17 percent in glass and 15 percent in food

The survey also indicated that companies with foreign majority control had far higher average paid-up capital, sales, workforce exports and imports than companies with no foreign capital. Economic consultant Dr. Santos Capa Eiriz has estimated that in 1979, Spanish operations of foreign multinational companies accounted for around 30 percent of total value added, exports, and investments in manufacturing industry and 13 percent of employment.

According to a study by the economic review Actualidad Economica, 33 percent of the 400 billion pesetas (\$4 billion) invested in Spanish industry between 1960 and 1980

States firms with a good proportion of the 14.5 percent from Switzerland, 2 percent each from Lichtenstein and Luxembourg also attributed to American operations overseas. Other leading investors in this total were German (11.3 percent), French (8.6 percent), British (6.5 percent) and Dutch (6 percent) interests.

## Rigorous Controls

But the Spanish government keeps a close track on what foreign investors are doing. Patrick Byrne, manager of Ford's Spanish operations, said in an interview "the administration has very rigorous controls over everything. Everything has to be negotiated with them. Though once they see a deal they go after it and are extremely cooperative. On major is-sues they make decisions incisively and speedily. But on matters they might consider on the periphery of our business, but we consider more fundamental, there can be reductance, footdragging. Negotiations are extremely intri-

British barrister Ian Blackshaw, a partner in the Gomez Acebo y Pombo international law firm in Madrid, adds that government officials do a through vetting job on each application for foreign investment. They want to know all about the company and don't accept tax haven registrations without question. They have to be convinced that a project that applicants plan in Spain is commercially sound and will bring in new know-how and technology and they require firm undertaking on job creation, im-ports, exports, purchase of the maximum amount of finished products and raw materials within Spain. If, once the operation has been approved and initiated, the investor wants to diverge from undertakings or can't carry them out, the government must be informed," he

The nationalization of a number of major French industrial companies by the new Socialist government in France has raised fears that development in some Spanish sectors where these firms have make large investments, such as St. Gobain in glass, will be influenced by decisions taken in the French industry ministry.

## Company Nationalization

But the Director for Foreign Transactions at the Ministry of Economy and Commerce, Juan Ignacio Comin, pointed out that under Spanish law, nationalization of a company with operations in Spain automatically entails cancellation of the previously granted investment au-

"We have asked the French firms involved to submit economic and accounting data by June 19th. We will review the situation of companies on a case by case basis. Either the Spanish government will decide to acquire part of these companies' holdings, or will ask the French government to cede part or all of them to a third party. Once these arrangements are completed the investments will be re-authorized," he said in an interview.

1981

Foreign Trade by Geographical Area

1. Imports cif

Spain continues to need foreign investment, to complement internal savings, bring in technology, strengthen its export potential and gear up our industry to met the challenge of EEC membership," Mr. Comin added.

According to official statistics, net foreign investment in Spain rose from 100 billion pese-us (\$1,497 million) in 1979, to 108 billion pesetas in 1980 and 168 billion pesetas in 1981, though the share of direct investment in 1981 in the total fell from 66 percent to 50 percent. Investments in the first three months of 1982, totalling 28.8 billion pesetas are twice those in the same period last year.

Since 1979, large scale investments have been made in Spain by a number of major firms including General Motors, Gonzalez Byass, Barclay's Bank, Robert Bosch, Cad-bury, Schweppes, Renault, Philips, Pirelli, Lur-of Chemicals and Missan gi Chemicals and Nissan.

## **Continued Interest**

Mr. Comin attributes continued investor interest to relatively lower real labor costs, a good level of skills, Spain's economic growth prospects and mooted entry into the European Community. "A number of firms, which have encountered difficulties in their Latin American operations, have relocated them to Spain,"

The ministry intends to step up efforts to attract new investors by inviting groups of for-eign industrialists to Spain and requesting imercial counsellors in Spanish embassies

1981

investors. In order to be able to respond rapidly to queries from diplomats abroad, the ministry is organizing an information service backed by a data bank and a system of rapid communications with key officials in other government bodies.

Talks may also be held with the 29 foreign banks, recently established in Spain, so they can inform their foreign clients about investment opportunities.

## Foreign Investors

Some business and press comments point out that the attempted coup of the last year, the stagnating internal market and uncertainties as to what the economic policy of the Soci-alists would be if they won the forthcoming legislative elections has given a number of for-eign investors cold feet. Only 20 percent of last year's direct investments were actually new opcrations they point out, adding that a number of major deals have fallen through. Neither Toyota nor Nissan could be persuaded to take over Fiat's stake in the loss-making, state-controlled vehicle manufacturer, SEAT. Guardian Industries Corporation decided to drop out of a 3.9 billion pesetas deal with Vidrieras de Llodio and International Harvester abandoned its 35 percent stake in the state controlled truck and bus company, ENASA. Monsanto, Teijin and Woolworth have also pulled out, and there are rumors that a number of major foreign investors with big losses in Spanish operations

Many foreign investors, these commentators say, gambled on Spain entering the EEC by 1983, but holdups in the negotiations make this unlikely. Labor costs are now nearing levels in other countries, while per head productivity is lower. The continuing fall in the peseta against the dollar (30 percent in 1981) also means added import costs of a series of inputs, lio vino ton

But these comments are countered by signs of investor interest in Spain from new quarters. Canadian and Australian firms seem ready to play a considerable role in developing minerals, while Arab capital, until now limited to real estate and tourism, is reportedly beginning to seek industrial outlets.

Nissan's recent boost to 55 percent of its 35 percent stake in Motor Iberica, acquired from Massey Ferguson in 1980, has been identified by the Japanese embassy as the first of a series of big operations, involving firms such as Yamaha, Suzuki and the Mitsui Bank. Several Japanese firms already have small stakes in Spain - Nissho, Matsushita, YKK, Ishitawjina and Fujitsu.

British business people also indicate that the removal of the U.K. exchange controls two years ago, plus the arrival of Barclay's bank, have been accompanied by increased interest by British firms in setting up Spanish operations. Highly visible in the chemicals sector. British investment is considered as "under-

- VANYA WALKER-LEIGH

# INI: Big **Problems**

MADRID — Established in 1941, the Instituto Nacional de Industria is Spain's largest industrial group, ranking in Western Europe's top 20.

By 1980, the INI employed a work force of more than 250,000 people, accounted for 14 percent of industrial exports, 8 percent of industrial gross domestic product and 28 percent of industrial investments, and had sales of more than \$18 billion. But it also has been Spain's top money loser — with losses of 85 billion pesetas in 1981, after losses of 100 billion pesetas in 1980, even though 1981 sales rose by 30 percent.

## Present Stakes

INI's chairman, Carlos Bustelo la former minister of industry apcointed in April, 1981) explained that INI's present stakes in about 70 companies, giving it indirect participation in 400 others, is an inheritance that is difficult to live

"For docades, INI was not only the instrument of a highly protec-tionist, inward-looking industrialization policy, but in the 1960s and 1970s became an emergency ward for failing private companies. In-stead of being allowed to go bankrupt, they were brought into the public sector. The INI had to go on creating jobs, making invest-

ments, while shouldering big losses on uncompetitive activities, and borrowing extensively on the market to meet all its commitments. If it had been a private group, it would have gone broke some time

Source: Ministry of Economy and Commerce.

United Kingdom

Other european countries United States

Other american countries

Germany

OMECON

Japan Near-East

Rest of the world

In September, 1981, however, the government agreed to a sweeping financial reorganization of INI, which included taking over 120 billion pesetas of long-term debt, involving huge savings in financial costs.

"Now at least we have room to maneuver," Mr. Bustelo said, "although not as much as we need. The bulk of our losses are still due to the bad results of nine ailing, inefficient companies. But we plan to break even by 1985."

1977

461.4

26.3

74.3 162.0

11.7

1978

The INI introduced a five-year rolling plan system in 1979 to restructure activities, tighten management and acquire needed technolo-

tal investment plan has allocated \$3 billion to ailing companies in the steel and shipbuilding sectors, now coming under industrial reconversion plans, and to vehicles A number of loss-making units are

investment plan is allocated to the

## 755.5 861.9 358.8 586.2 739.6 812.3 105.3 130.0 130.1 142.4 164.7 163.2 202.4 200.8 166.4 106.8 197.0 126.2 123.6 246.6 152.9 241.5 82.0 39.4 163, 73.1 112.4 318.8 127.6 85.1 412.4 76.1 7.6 8.8 10.4 16.6 79.4 60.5 530.8 30.0 24.2 126.8 610.1 100.1 145.9 1 350.5 1 431.6 1 704.0 2 450.7 2 970.4 775.3 1 001.6 1 221.2 1 493.2 1 888.4

1978

1979

Exports, fob

(The INI is no longer active in

hydrocarbons, as the various oil

exploration and refining compa-

mes that it controlled have been

regrouped into a separate body.

But through its solar company, Ini-

pand its activities in other renew-ables).

energy and mineral resources sector," Mr. Bustelo pointed out. "This includes building coal-fired and nuclear generating stations, mining uranium, developing our coal resources, seeking stakes in

foreign mines. Our recent \$45-mil-

lion purchase of a 10-percent stake in Ashland Coal U.S. will be fol-

lowed by further purchases emerg-

ing from on-going coal producers with Australia, South Africa, Chi-

na and the United States."

. The \$16-billion 1982-1986 capi-

"Fifty percent of INI's capital

# Policy of Opposition, Government MADRID — Spain's industrialists' federation, the Confederacion Espanola Organizaciones Empresariales (CEOE), is sharply critical of government but went back on that. On the other hand, the Com-

Industrialists' Federation Opposes

economic policy, but much more violently opposed to what the Socialist Party has to offer.

In the recent regional elections in Andalucia, CEOE organized dozens of meetings with local business groups, as well as a major media advertising campaign to explain its views of what socialism would mean for Spain. Following a complaint lodged by the Socialist Party, its campaign was temporarily suspended by the electoral board, but then allowed to continue by a subsequent court ruling.

The landslide victory of the Socialists in Andalucia on May 23, has generated major gloom amongst CEOE members, who fear this may foreshadow a vic-

tory at the forthcoming national legislative elections. CEOE's President, Carlos Ferrer Salat, explained in an interview that "The Socialist alternative is to increase the public sector deficit, increase inflation and controls. Some members of the party say that they are in favor of nationalizing certain industries, others say they are not." Mr. Ferrer remained wholly skeptical of the Socialist Party's recent extensive efforts to win business confidence in dozens of informal meetings with bankers and industrialists. The official economic program of the Socialist Party is still to be issued and is supposed to emerge this month, he

solar, INI has started to play a leading role in developing solar en-Moreover, Mr. Ferrer does not believe public stateergy in Spain, and intends to exments by the Socialists that they would not form a government with the Spanish Communist Party. They govern together at the municipal level, and in the Extremadura region. The Socialists said they --- VANYA WALKER-LEIGH would not govern with the Communists in Asturias,

munist Party has always declared that it would support and govern with a socialist government."

The business community would like to see the present beleaguered governing party, the Union of the Democratic Center Party, form a "natural alliance" with the right wing Popular Alliance party, whose views on economic management are a good deal more 'Reagonomic" than UCD's.

Mr. Ferrer is sharply critical of UCD's policy in allowing a huge growth in public sector deficits, allowing strong wage increases and maintaining high tax and financial burdens on business. Failure to reform the social security system means that employers contribute 71 percent of total operating costs, compared to the OECD average of 41 percent.

The government has also failed to provide adequate mechanisms for long-term financing of investment, or to follow through on commitments to make it possible for companies to introduce a variety of more flexible employment contracts.

"Our competitivity and ability to create jobs has been gravely undermined as a result. And the government's concession in the EEC negotiations to introduce a value added tax immediately upon entry, will mean immediate additional inflation of 4 percent. and problems for hundreds of businesses. Present EEC members did not have to take this step on joining," Mr. Ferrer said.

CEDE economists have drawn up a sector by sector survey of Spanish industry, and conclude that a transitional phase of 7 to 10 years is essential for most companies to be able to sustain competition from other EEC companies.

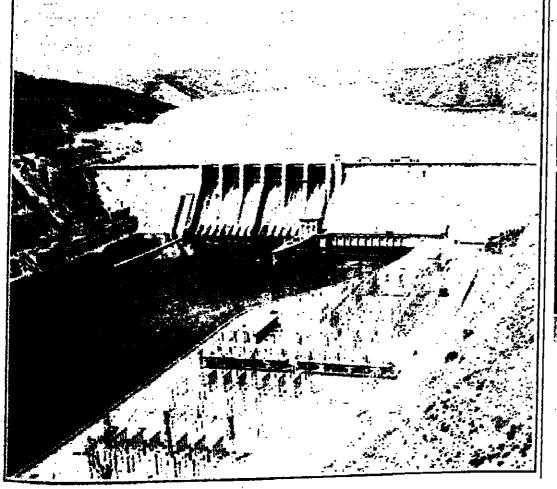
Bank with imagination

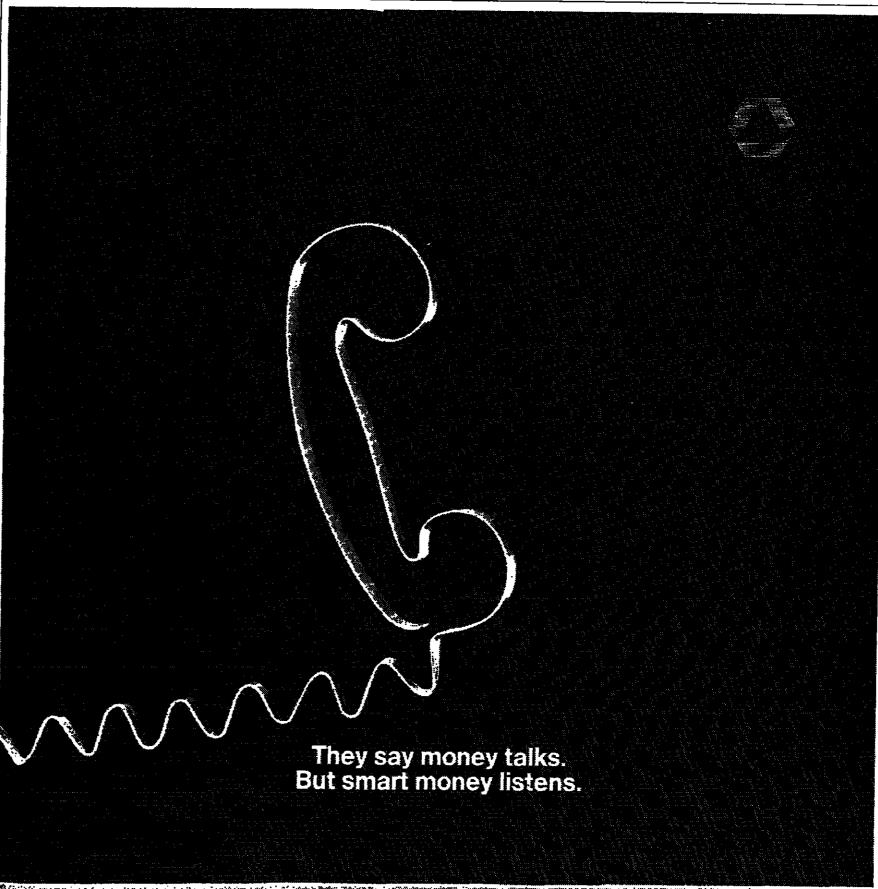
— VANYA WALKER-LEIGH

# development needs energy



35 years supplying hydroelectrical energy





esdner Bank - One of the leading banks in the world.

# Regulation and Limits of Foreign Investment

A Phasing-Out Period on Current Rules Should Follow EEC Membership

MADRID — Spanish foreign investment rules, laid down in a 1974 law and a series of subsequent decrees, were simplified and liberalized by a decree in 1981.

But the booklets and forms supplied by the Direccion General de Transacciones Exteriores (General Directorate of External Transactions) of the Ministry of Economy and Commerce, make sufficiently Spanish lawyers.

criminatory, there are a series of under the Treaty of Rome for rearules and limitations, with provisions of national security or public sions for government authoriza- order.

BANCO EXTERIOR GROUP... OF SPAIN...

complex reading for most would-be investors to decide to put their plans in the hands of experienced comes a member of the European Community, and a number of While the underlying philosophy rules and restrictions will have to governing foreign business investment is described by government be a phasing in period, and certain officials as liberal and non-dis-

Some key aspects of rules are

The following are allowed to invest in Spain: Foreign individuals, foreign companies, Spanish na-tionals residing abroad, the International Finance Corporation (a sister institution to the International Monetary Fund) and the World Bank.

A number of sectors are prohi-A number of sectors are prom-bited to foreign investors: national defense, public water supplies, lo-cal broadcasting, newspapers and agencies, production and proces-sion of films. Other publishing ac-tivities are also off-limits, except to Portuguese and Latin American nationals who are allowed stakes of up to 50 percent.

Foreign participation in the equity of Spanish companies is limited to 49 percent in mining, 25 percent in air transport and casinos, 40 percent in shipping and oil refineries and 15 percent in newly established banks.

## 100% Stakes

Stakes of up to 100 percent are allowed in existing banks, insur-ance contracting of public works and services, exploration and exploitation hydrocarbons and in each case subject to preconditions established by the Spanish govern-

Stakes of less than 50 percent in new or existing Spanish compa-nies, or branches of authorization, must be registered with the Registro de Inversiones Exteriores, (regis-ter of foreign investments) based at the Ministry of Economy and

Stakes of over 50 percent, but worth under 25 million pesetas (\$250,000) must be filed on an "investment proposal" form with the directorate of foreign transactions, for verification. If the investor hears nothing within 30 working days, the investment can be con-sidered as approved, but must be completed within six months. Investments this size are subject to the authorization procedure de-scribed here for the following sectors: national defense, public services, non-basic chemicals, elec-tronics, computers and sectors for which an industrial reconversion plan has been drawn up by the

## Manufactured Goods

Also subject to verification pro-cedures is the establishment of a company making capital goods not manufactured in Spain.

Investments of over 25 million pesetas, representing more than 50 percent of the capital of a new or existing Spanish company, are sub-ject to special authorizations from the General Directorate of Foreign Transactions; for investments up to 250 million pesetas (\$2.5 million) from the Ministry of Economy and Commerce; for invest-ments between 250 million and 500 million pesetas (\$2.5 million) from the Council of Ministers. All investments of over 50 million pesetas, involving a majority stake, must first be reviewed by the foreign investments board, compris-

Authorization procedures have been speeded up since 1981, but foreign investors must give binding undertakings on financial, foreign currency and employment aspects of their project.

Investors can form either a lim-ited liability company or a joint stock company — the latter being favored by foreign investors.

Spanish companies with foreign stakes of under 25 percent can obtain domestic credit wihout limita-tion. Firms with foreign participa-tion of over 25 percent are able to obtain national credit in pesetas up to a limit of five times the amount of their own financial re-sources, with additional credit in pesetas up to a limit of five times the amount of their own financial resources with additional credit resources with additional credit given following the authorization of the DGTE. Foreign loans to Spanish companies, with or with-out foreign participation in their capital, require prior authorization from the bank of Spain.

# Permission for Loans

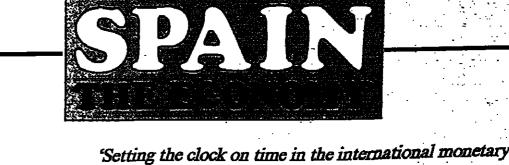
Branches of foreign firms, which are not subject to foreign invest-ment authorization rules on for-eign participation, must get DGTE permission for both internal and external loans, and are usually re-quired to give undertakings when it is established that all financial needs will be met by the parent company. Joint ventures must also gain government approval.

gain government approval.

Foreign investors qualify for a broad range of incentives established by the government to attract investment to underdeveloped regions, away from the major industrial poles of Madrid, Bilbao, Barcelona, Valencia and to sectors declared, of preferential interest. clared "of preferential interest." Incentives include forced expropriation of needed sites, tax holidays, duty-free import of necessary in-puts, low-interest official credits and investment subsidies. State controlled regional development companies. SODIs (Sociedades de Desarrollo Industrial) are also prepared to take stakes in projects of interest to foreign investors, ceding their stakes to other holders after 2 to 3 years.

## Convertible Currency

Foreign investments must be made with foreign convertible cur-rency, legally introduced from abroad through banking channels, and identified by a currency certi-ficate issued by a Spanish bank, and must be registered with the Investments Registry of the Ministry of Commerce. This procedure al-lows the unlimited repatriation (after payment of taxes) of legally distributed profits and dividends, proceeds of sale of subscription rights to shares and securities and original capital invested as well as any reasonable capital gains made on disposal of investment. VANYA WALKER-LEIGH



# Foreign **Banks** Bring In New Ideas

## (Continued from Page 9S)

"Necessity," as Mr. Martinez Campos put it, "was the mother of invention" and the new product the foreigners came up with was the Madrid Interbank Offered Rate, MIBOR, coined from its London LIBOR equivalent Traditional Spanish banking was based on short-term loans on fixed rates and on this level the foreigners could not compete. Barred from a substantial deposit base and therefore dependent on the interbank market for short-term funds, the foregn banks had to develop MI-BOR and the variable, floating rate for their medium-term lending. Peseta borrowing through MI-BOR caught on rapidly. The suc-cess of the novel financing was reflected by the drop in Spanish bor-rowing on the Euromarkets. One estimate had Eurocurrency bank credits to Spain falling from \$5.5 billion in 1980 to \$3.2 million last year when public floating rate peseta credits totaled an estimated

one billion.

The real point, as far as the Bank of Spain sees it, is that the Spanish banks were quick to take the message.

"We can innovate but we are quickly imitated," said a Madrid foreign banker somewhat ruefully. In September last year a peseta seven billion floating rate credit with a seven-year maturity and a five-year grace period to ICO, Spain's official credit institute, was lead-managed by seven Spanish banks. Some Spanish banks, notably the Hispanoamericano and the Vizcaya, both members of the privileged Spanish "big seven" group, specifically developed their own banks to deal solely in wholesale banking in imitation of and to specific cifically compete with the foreign

banks.

The Hispanoamericano group turned a minor bank it had acquired into the Banco Hispanoamericano Industrial. Said Mr. Basategui, an enthusiastic backer within the parent bank of the group's new brain child: "We act just like a foreign bank in Spain. Small of-fices in Madrid, Barcelona and Valencia, wholesale banking, only 50 employees and a net profit last year of pesetas 502 million." Mr. Basategui termed the successful introduction of MIBOR as "the maior contribution of foreign banks

The ability of the Spanish banks to catch on meant that the operations for the foreigners began to lose some of their initial high attraction. The liquidity of the Span-ish banks meant that the one percent spread that characterized the early loans last year had fallen to half a percent in this year's deal-

In addition to the finer pricing a further worry was a trend to com-bine MIBOR and Spanish prime rate as benchmarks for major loans which indicated a return to the fixed rate credits. One foreign banker said that after the breakthrough period of plenty the situa-

Another, who described the bank he heads in Madrid as "an offshore operation just perched onshore," said that it was now up to foreigners to develop real "high technology and ideas banking" in

technology and ideas banking" in what was already a sophisticated Spanish financial community.

Two foreign banks have taken the plunge and worked round the restrictions imposed on them by buying Spanish banks. Last year the Banque Nationale de Paris bought the domestic Banca Lopez Quesada, an ailing institution with 47 offices, a staff of 739 and deposits worth 16.5 billion pesetas. Shortly before the Banca de Valladolid, 21.8 billion pesetas, 634 staff and 38 branches. Like the Lopez Quesada, the Valladolid was in the so-called "bank hospital" which is so-called "bank hospital" which is in reality a system by which the Bank of Spain and the private banks take over responsibility for banks in difficulties, restructure them and then offer them for sale. Thus BNP and Barclays have joined the small club of four for-eign institutions — the Bank of London and South America, the Banca Nazionale del Lavoro, Credit Lyonnais and Societe Generale — who have long been estab-lished in retail banking in Spain and were not affected.

Mr. Martinez Campos, responsible for the Banco de Valladolid

purchase, said the move into retail banking was inevitable if his group wanted to attract smaller companies and shake off the dependence on the major, mostly state-owned, corporations that form the bulk of a foreign bank's client account in Spain. In the past year Barclays at the Banco de Valladolid had limited themselves to taking stock of the new challenges. The purchase was in itself controversial and drew undisguised irritation from some major Spanish banks. Mr. Madronero at the Bank of Spain termed the takeovers "isolated ex-amples," but he said there was no a priori veto against future pur-chases by foreign banks. In a sense it was a tit for tat operation with foreigners working round the rules and going retail in the same way as Spanish banks had seen the advantages of setting up their own wholesale operations.

# budgetary discipline with solid work on the underlying economic basis of both investment and exports, are the only answers ...' A RISKY **CROSSROADS**

markets and forcing an appropriate financial and

## By Juan G. de Madariaga

MADRID — The significant decline in the rate of inflation in the United States and the large interest rate differencials favoring the dollar versus the European currencies, has widened the gap of cost of money now prevailing between the United States and

the European countries.

A major downward adjustment in oil consumption in the United States has been a substantial contribution to this development but there are other factors that have also induced this situation. One of them is that in the U.S. economic system, industry financing is less dependent on borrowed funds than in Europe.

Twenty years of socialism in the Europe have dis-torted some of the financial mechanisms governing the flow of funds such as interest rates in which money supply and interest levels are not always duly cor-related. When market forces are kept dormant for a substantial period of time, it is very difficult to put them to work and politicians fall into the false belief that they can challenge market realities. For this reason, monetary policies now underway in the United States do not carry the same effect when applied in the European financial arena.

European governments are looking for other alternative choices but the failure of successive governments in various countries to contain inflationary pressure has led to a parallel disillusionment with demand management policies of Keynesian economics. as sooner or later, the facts of economic life assert themselves in the form of ever-accelerating rate of inflation, President Mitterand's conference in Versailles was intended to impose on U.S. financiers the conviction that dollar fluctuation and interest rates should be kept within a limited framework. He also wanted to impress upon Japanese leaders the necessi-ty of refraining from incurring increasing trade sur-

## Competitive Financial Structure

The inability to cope with the new highly competiine maniny to cope with the new nightly competi-tive financial structure is creating additional turbu-lence in the European Monetary System. Most Euro-pean countries have been incurring large deficits as the only way to escape from stagnation, but these large deficits contribute to more inflationary pres-

Budget deficits are also a way to transfer resources from one holder to the other. It may reactivate the

rom one moner to the other. It may reactivate the economy but it may also distort the financial functions from its normal operational pattern.

Spain is undergoing an adjustment of its financial system for which monetary authorities are promoting the creation of a more fluid capital market and a more flexible interest rate structure but it has to cope with the adverse European environment, where many

countries are seriously involved in a defensive strate-

gy of their economy.

How can Spain liberalize its economy at a time when France is looking for a protectionist umbrella under the EEC? Spain is unquestionably trying to open up a long closed-in financial market but at the same time it has to make a decision as to incorporate. ing itself into the European Economic Community. Probably the answer to this dilemma lies in the fact that Spain should progressively enter the European Monetrary System, finding the intermediate basis to exit from a severe isolation in today's flotation ne and national exchange controls to a multina-

tional monetary system.

In a gloomy panorama of an expected budget defi-cit of 800 billion pesctas, there are certain signs of improvement in the commercial area particularly in the trade balance. Most of Spain's external debt is on a floating rate basis whereas any prospect of a decline in interest rates could alleviate the Spanish situation. m interest rates could alleviate the Spanish situation. The recovery of output is in danger. The unemployment rate (15.39 percent) is still reaching new highs well above the European average of 9 percent of the labor force and still higher than Britains 11.7 percent. Therefore, shifting policies should also be considered from creating jobs to fighting inflation.

Budget deficits leave little scope for fiscal stimulus which selective monetary policies should be contemplated.

In this connection, Spain is not sufficiently integrated in international capital markets. Interest rates show a blatant discrepancy between foreign and do-mestic ones. Spain participates in the same struggle that European governments are engaged in - to lower interest rates to bolster their economy and to com-bat unemployment. This has to be conducted at the expense of subsidies, which obviously result in a depreciation of their currencies against the dollar. How-ever, interest rates are high in Europe for indigenous reasons quite apart from U.S. influences. High gov-ernment deficits are draining available domestic sayings causing high interest rates and choking off need-

These deficits are also responsible, in Spain, for lagging economic performance and imposes the difficult choice between high interest rates and inflationary currency depreciation. A lowering of interest rates, without measures to reduce fiscal deficits, would entail renewed successive monetary growth and inflation as well as exchange rate weakness against the dollar. But, in all major industrial coun-tries, there has been a substantial reduction of inflation as a result of these restricted monetary policies.

A major contributing factor has been the decline in oil prices. The large interest rate differencials favoring the dollar make up for the current account differences between the United States, Japan and Germany. Spain might benefit greatly from a global environ-ment of lower oil prices and eventually less inflation

## Significant Interest Saving

A substantial reduction in London Interbank Of-fered Rates, associated with the drop in oil prices, would mean a significant interest saving for Spain. The combination of these two factors plus a better export prospect would facilitate a better management of the external financing. This would also eventually contribute to a decline in the aggregate current ac-count deficit but in the final analysis, current account deficit, but in the final analysis, current ac-count performance could only be improved through reduced consumption and increased exports and investment. This would also enhance the prospects for non-inflationary growth.

Setting the clock on time in the international mone-

tary markets and forcing an appropriate financial and budgetary discipline with solid work on the underly-ing economic basis of both investment and exports, are the only answers for the difficult crossroads Spain is at currently.

The author, an attorney, is a financial and monetary commentator whose work has appeared in many Spanish newspapers and magazines. He wrote this article for this special supplement.



# Banco de Progreso

(Established in 1917)

## WHOLESALE BANK

## ESPECIALIZED IN:

- FOREIGN DEPARTMENT
- CASH MANAGEMENT
- MERCHANT BANKING

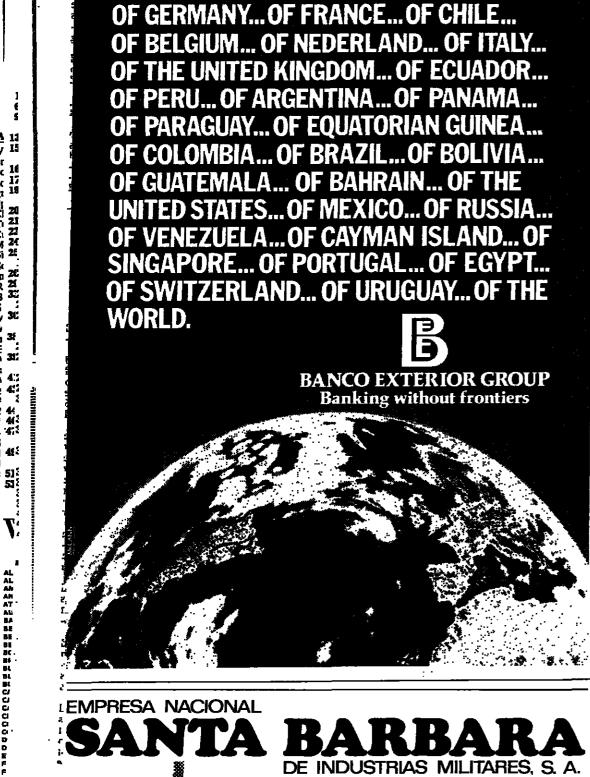
MADRID — c/. Núñez de Balboa, 108 Tel. (01) 411 35 12 - Telex: 44322 BAPM E

BARCELONA — Paseo de Gracia, 29 Tel. (03) 317 74 70 — Telex: 51847 BAPB E

PALMA DE MALLORCA - Av. Alejandro Roselló, 15 Tel. (71) 224431 — Telex: 6-823 BAPP E REPRESENTATIVE OFFICE EN MEXICO D.F.

Blvd. M.A. Camacho, 1 - Plaza Comermex MEXICO 10 D.F. — Telex: 177 17 30 BAPRM E

Correspondents in all major financial centres.



The Empresa Nacional Santa Bárbara de Industrias Militares, S.A with its experience acquired over centuries, offers the most advanced technology for defense.

skilled technicians and specialists in the armament field: weapons, small arms, heavy arms, heavier equipment, field artillery, projectiles, missiles, At present, this company is rockets, ammunition, made up of 6 factories located cartridges, fuse, percussion caps, artifice, gun powder, explosives. in different points of the



# **BUSINESS BRIEFS**

# Warner-Lambert to Buy IMED

MORRIS PLAINS, N.J. - Warner-Lambert, the pharmaceutical house, agreed Monday to buy IMED Corp. of San Diego, Calif., a world leader in medical electronics, for \$163 a share or a total of \$465 million.

By purchasing the stock held by management and other insiders, Warner-Lambert will get 51 percent of IMED at once and then will make the formal offer for the remaining shares.

Chairman Richard A. Cramer and other key executives of IMED will remain with the company. IMED has plants in the United States, England and Ireland and has 1,200 workers.

# Montedison Announces Record Loss

MILAN — Montedison announced on Monday that it lost 598 billion lire (\$453 million) in 1981 — a record annual net loss — and said it would seek shareholders' approval to write off the loss against existing

The loss compared with the previous record, 509.3 billion for 1977, and was more than double the 230.8-billion-lire loss in 1980, the companion of the companio ny said. Consolidated group sales rose 14.7 percent to 8.93 trillion lire.

The petrochemical group blamed the loss on high interest charges on its bank borrowings, resulting from Italian tight money policies. Efforts to improve productivity have enabled the company to keep its operating margins in profit despite a European crisis in the petrochemical and plastics industry, the fall of the lira and competition from other chemical producers, Montedison said.

# ICL Expects Profitability in 2d Half

LONDON — ICL said Monday that its program of cutbacks should enable the group to show a second half pre-tax profit that will more than offset its £13.5 million (\$24.3 million) first-half loss. The expected profit for the year follows a £49.8 million pre-tax loss in the year ended last

Sept. 39.

Sept. 39.

ICL also said it had agreed to acquire Computer Leasing for £2.8 million, plus an estimated £42 million in loans from the existing participants in Computer Leasing. ICL said the value of Computer Leasing's assets being acquired are estimated at £104 million. In addition, Computer Leasing's estimated deferred tax liability of £57 million will be poter Leasing's estimated deferred tax liability of £57 million will be credited to ICL's reserves because these taxes are not expected to be payable in the foreseeable future.

# Hong Kong Real Estate Loan Slated

TOKYO — An international banking syndicate is arranging a loan of 1.5 billion Hong Kong dollars (\$260 million) for a consortium headed by

Hang Lung Development, banking sources said Monday.

The loan is to finance the Admiralty Two project to build a shopping and office complex in Hong Kong, they said. The 3½-year loan is expected to carry an interest rate of 114 percent over the Hong Kong interbank offered rate, the sources said.

# **NLT Alters Terms of Takeover Bid**

NASHVILLE, Tenn - NLT Corp. said Monday it had amended the early payment provisions of its offer for 11.2 million shares of American Occurral common stock and all outstanding shares of 1980 convertible iunior preferred shares.

-Under the amended offer, NLT expects to buy a total of 2 million shares of American General common and preferred stock according to the early payment provision. The company said, however, that the offer has been amended to provide that 1980 convertible junior preferred stock tendered after June 4 will not be eligible for early payment under its offer. The new early payment date is June 22.

# Apple Offers Cut-Price Package

CUPERTINO, Calif. - Apple Computer said Monday it will offer a specially packaged Apple II personal computer system for \$1,995. Apple and that if the items in the package, available through Sept. 15, were purchased separately, they would list for \$2,604.

Compiled From Agency Dispotches

# **AEG Proposes Change** In Corporate Structure

FRANKFURT - AEG-Telefunken plans to propose a new corperste structure soon in an effort to aid the recovery of the electrical goods manufacturer, an AEG spokesman said Monday.

He declined to give details of the plans ahead of next Monday's meeting with the company's bank-

But he did not deny reports published over the weekend in two newspapers outlining a plan to create about three billion Deutsche marks in "pseudo-capital" from banks, the federal and state gov-ernments and other industrial and insurance companies.

Senior AEG officials met last week with government officials to discuss the company's situation. AEG operating loss is expected to total 400 million to 450 million Deutsche marks (\$170 million to \$191 million), compared with a 550-million-DM less in 1981.

## Thomsee Talks End

The AEG spokesman also an-nounced that talks with Thomson Brandt of France about a partnership in the Telefunken sector have been broken off, "and we will try to find a partner for Telefunken on a national level."

Banking sources have said for several months that AEG appeared to be trying to create a new structure that would transform the parent AEG-Telefunken into a holding company for partnerships in areas where AEG

According to Franklurter Al-Exemeine Zeitung and Borsen-Zeitung, the stock exchange newspaper, AEG would set up two new subsidiaries: One called AEG-Konsum for consumer goods and ner in AEG-Konsum, including

in Commercial frant (b)

the other called AEG Technik for

capital goods.

Member banks of the AEG consortium, which rescued the firm from bankruptcy at the end of 1979, would be asked to provide 1.75 billion DM in new loans to aid the venture, the papers said. The loans would carry no inter-

est for the first five years, and then at a rate of only 2.5 percent for the next five years. The credits would remain in force after 10 years, but would then carry market interest rates, the reports said. In addition, AEG would promise to repay the loans from the profits of AEG-Technik, expected to be a profitable operation.

## Stake Said Proposed

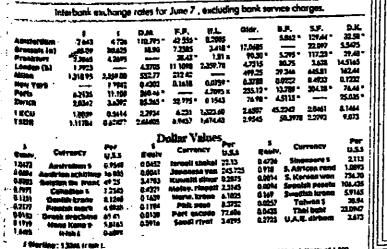
Aid would come from the federal authorities as well as state governments, the reports said. AEG is seeking one billion DM in new credit guarantees from the federal government to be applied to the

In addition, state governments are being asked to take a stake in AEG-Konsum, the principal loss-making part of AEG in its current form, as a way of securing the jobs in this line of business, and are heing asked to provide credit guarantees as well, the papers said. Industrial and insurance companies in West Germany are also being asked to participate in the

new concept for AEG, the papers General Electric of Britain has already pledged to take a 40-per-cent interest in the new AEG-Technik, with a basic capital of 750 million DM, and provide an interest-free credit of 400 million

DM, the reports said. But AEG is still seeking a part-

# **CURRENCY RATES**



# **Falloff in New Orders for the Next Generation**



American Airlines wants to delay deliveries of 30 767's. United threatens to cancel or delay deliveries of 20 planes and cancel or delay orders for 19 more. Air Canada seeks to postpone exercise date of options on elx planes from July 1 to Sept. 15 and threatens to cancel cartions on etv others. CP Air consistering a options on six others. CP Air considering a further delay on four firm orders for 767's.



Eastern says that a proposed change in the tax law would make its firm orders of 27 planes 'open to question." American Airlin its order for 15 757's and options on 15 more in February. Last year, Aloha Airlines dropped its firm order bid for three planes before ever reaching the purchase stage.

# Boeing, Faced by Falling Orders, Fights Cuts in U.S.-Backed Credits

New York Times Service SEATTLE — Boeing, which makes six out of every 10 commercial airliners in the world, is feeling the pinch. Order cancellations by major airlines have spread, Europe's Airbus Industrie is elbowing further into Boeing's global territory and the intensity of moddlaids research and high intensity and help intensity of moddlaids. worldwide recession and high interest rates has cooled the rate of new orders for the largest U.S. exporter.

The turn of events has caught Boeing at a particularly vulnerable time. Its successful 727 program is winding down just as the first deliveries of its new generations of 747 and With mo.

res of its new generations of 141 and 757 aircraft approach. With its once-abundant cash reserve evaporating quickly and its profits down in each of the last four quarters, the world's leading makes of commercial intliners soon.

Boeing's cash 'is

ing maker of commercial jetliners soon will begin a costly borrowing cam- melting like snow paign.

This all comes at a time, according under the sun.\*
to the company, when cutbacks in financing offered by the U.S. Export-Import Bank
and the sun.\*

Bache H

or as lat

could jeopardize dozens of new foreign orders, which Boeing says are vital to its long-term success. Boeing gets about 60 percent of its commercial aircraft sales from foreign airlines and hopes to raise that ratio. If the orders do fall away, Boeing's borrowing could easily exceed \$2 billion in the next 18 months, analysts predict. Yet few analysts foresee a replay of the jolting cutbacks that occurred between 1969 and

1971, when the payroll was slashed to 37,500 from 101,000 and profits slowed to a trickle. The near term is still quite tough, but two years out things ought to be better," said Wolfgang H. Demisch, an analyst with Morgan Stanley & Co., the brokerage concern

Boeing made sharp productivity gains during the 1970s. It enlarged its role as a Pentagon supplier, notably prevailing over General Dynamics for the coveted Cruise missile contract in 1980, and increased its dominance in U.S. commercial fleets at the expense of McDonnell Douglas and Lockheed.

For now, Boeing hopes to ride out the recession and especially the heavy losses piling up at the domestic airlines. American Airlines, for instance, pointed to its own detricanting balance sheet in February 1982. mary when it canceled \$500 million in 757 orders as well as options for an additional 15 planes.

Boeing is looking to the 757s and 767s to serve as

the heart of its commercial aircraft program into the 1990s. The 757, intended to replace the bigger 727 and set for delivery early in 1983, operates with about 30 percent less fuel consumption. The larger 767 is set to begin deliveries in August. At the same time, Boeing consumer to produce the 747. ing continues to produce the 747.

Meanwhile, Boeing is maneuvering in Congress to protect against or avoid more cancellations.

It is seeking to salvage the safe-harbor leasing law allowing companies with tax credits accumulated through losses to sell the credits to more prosperous companies seeking to reduce their tax-With money tied es. Many airlines are losing money and view this provision, which has drawn much criticism, as crucial in their efforts to buy new planes. Boeing is lobbying hard to exclude airlines from any scaling back of the law.

Every cancellation and delay in a delivery schedule will extend Boeing's difficulties beyond next year, said Paul Nisbet, an aerospace analyst with Bache Halsey Stuapt Shields. "It could well be 1984 or as late as 1986 until the orders begin to pick up

Boeing is also pressing the House to follow the Senate's lead in endorsing Boeing's plan for the Air Force to buy 69 Boeing airfreighters instead of Lockheed C-5As, favored by the Air Force. The contract is worth about \$6 billion.

But Boeing's harshest attack is being leveled against the Reagan administration's plan to slash the lending authority of the Ex-Im Bank to \$3.8 billion next year from \$5.4 billion.

Boeing, the lending authority's biggest customer, is campaigning to restore the planned cuts because the aircraft maker fears that the cuts, coupled with new rules from the bank's administrator appointed by the Reagan administration, William Draper, will cause it to lose additional sales overseas to Airbus Industrie, the West European aircraft consortium.

With the first 767s and 757s set to be flying com-mercially within the next eight months, Boeing is especially troubled that Airbus might get the upper hand with its competing A-310s, which are scheduled to enter commercial, service next March.

"If we don't get the customer base in the next year or two" for the 767 and the 757, said O.M. Roetman, (Continued on Page 19, Col. 1)

# **Mesa Changes Tactics**

United Press International

LANCASTER, Pa. — RCA
announced Monday a new
technology for making colortelevision picture tubes that it said will cut manufacturing The method, called COTY-

29, improves the design of the tube. The method is applicable for tubes of 13 to 25-inch diag-Receivers containing the new tubes will be demonstrated to

RCA Develops

Tube Technology

manufacturers of receivers in the United States and abroad starting in July. Mass produc-tion for the North American market should start late this

the television, radio and hi-fi operations of Telefunken Fernseh und Rundfunk, as well as its home appliances business

West Germany's white collar union, Deutsche Angestellten-Gewerkschaft, sharply attacked the reported plan to restructure AEG into two subsidiaries.

The union said the plan was designed to allow a financially sound West European electrical firm to take a stake in the healthy part of West Germany's eight largest em-ployer while "the remaining parts

would not be able to survive long without public help."
"The state would then also have to accept responsibility for tens of thousands of jobs in a part of the company that was not necessarily economically viable," the union

> DOLDER GRAND HOTEL ZURICH

A house of

tradition an outstanding

reputation for the very highest standard

strasse 65, CH-8032 Zunch lephone 01/251 62 31\_\_\_\_\_

# In Cities Service Bid

TULSA, Okla. - Mesa Petroleum has changed tactics and added a second offer to buy 15 percent of Cities Service outstanding stock at \$45 a share to its previous bid for a majority of the shares at \$50 a

Mesa president T.B. Pickens Jr., in describing the new offer for 12.1 million shares as "unfriendly," said Sunday he hoped Cities Ser-vice officials would accept the original offer of \$50 a share. He said financing for friendly take-overs can be more easily arranged

than for unfriendly attempts. Mesa said late Monday that it had obtained commitments from a group of nine banks for \$975 million for its second offer.

It said the group was led by Continental Illinois Bank of Chi-cago and the the agreement was still subject to completion of a definitive agreement.

"We're committed to buy any and all shares up to 15 percent, but we specifically reserve the right to buy more if financing can be arranged," Mr. Pickens said. Mesa currently owns 4.1 million

Mr. Pickens said the latest Mesa offer, worth about \$544.5 million, is being made directly to Cities Service stockholders and needs no action by the board.

The Cities Service board is ex-pected to meet Tuesday or Wednesday to consider the original \$50 offer.

The Mesa board Monday rejected Cities Service bid to acquire 51 percent of Mesa's 73.8 million outstanding shares at \$17 a share. Mesa said its board determined

that the offer was inadequate and not in the best interest of its share It urged shareholders to reject the offer, and said that no director or executive officer of Mesa in-

tends to tender any shares. A spokesman for Cities Service said the company would not com-ment on the new Mesa offer until

it sees the proposal. Cities Service has called Mesa's friendly offer a weak tactical maneuver. Mesa said the new offer will ex-

pire July 2 and the deadline for withdrawal of shares is June 25.

JAPAN PACIFIC FUND Société Anonyme Luxembourg, 37, rue Notre-Dame R.C. Luxembourg B8340

Avis de convocation

Messieurs les actionnaires sont convoqués par le présent avis à l'Assemblée Générale Extraordinaire ainsi qu'à l'Assemblée Générale Statutaire qui auront lieu le 16 juin 1982 à 15.15 heures, respectivement 15.30 heures, dans les bureaux de la KREDIETBANK S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg, avec les ordres du jour suivants :

Assemblée Générale Extraordinaire

Modification de l'Article 19 des Statuts en y ajoutant le paragraphe

vEn eas de perte réalisée ou de moins values non réalisées sur portefeuille au terme d'un exercice le Conseil pourra proposer à l'Assemblée Générale Statutaire de prélever sur la Réserve Extraordinaire et ou sur toute autre réserve constituée, les montants nécessaires à l'apurement de cette perte et à la distribution éventuelle d'un dividende, celle-ci etant soumise aux conditi d'opportunite decraes au paragraphe précèdent».

Assemblée Générale Statutaire

Rapports du Conseil d'Administration et du Commissaire. Approbation des comptes au 31 mars 1982 - Affectation des résultats

Décharge aux Administrateurs et au Commissaire. Nomination d'un Administrateur. Les résolutions à prendre concernant l'Assemblée Générale Extraordi-

naire requierent un quorum de 30° au moins des actions emises et en circulation et, pour être valables, les résolutions devront réunir au moins 2/3 des voix des Actionnaires présents ou représentes à cette Assembl Aucun quorum n'est requis pour les points figurant à l'ordre du jour de l'Assemblée Générale Statutaire.

Le Conseil d'Administration

# **Dollar Climbs Strongly** On Tensions in Mideast

From Agency Dispatches
LONDON — The U.S. dollar
closed sharply higher on European

foreign exchange markets Monday after retreating from its peaks of

After advancing strongly in the morning on news of clashes be-tween Israeli forces and Palestinians in southern Lebanon, the dollar gave up some of its gains on profit-taking and what dealers perceived as possible central bank

Gold, the traditional investment in times of international crisis, also gained on the renewed Mideast

"The [dollar's] advance is due to the fighting in the Middle East and to the lack of anything drastic coming out of the weekend summit, "a London money dealer said.
The summit produced a promise by the seven industrialized nations to intervene in the market to prevent sharp currency fluctuations. But the dealer commented, They've been saying that for quite some time now."

The dollar closed at 2.3815 Deutsche marks, below a high of around 2.39, but well above Friday's close of 2.3593. The British pound closed at \$1.7052. Friday's finish of \$1.7963.

Like their European counter-parts, New York banks initially bought dollars Monday, but then they began to sell when followthrough commercial buying failed to materialize, dealers said. Trading in the afternoon was mostly thin and erratic.

The dollar's slightly easier tone in the afternoon was reinforced by an easing in Eurodollar deposit rates, they said. Three-month de-posits closed about 1/16 point be-low their highs, although they were still up about 1/2 point from Fri-

The dollar was particularly

WASHINGTON — U.S. Agri-

culture Secretary John Block said

Monday that chances for settling

international trade disputes with

Western Europe are "fading rapid-ly" and could force the United

In remarks prepared for delivery

States into "short-run trade wars."

at the 91st annual convention of

the Illinois Bankers Association in

St. Louis, Mr. Block reiterated the

Reagan administration's commit-

ment to a free-market philosophy

But he was again highly criticial of the agricultural policies of the EEC, which have encouraged com-

modity overproduction in Western Europe and resulted in subsidized

exports by the 10-nation bloc that

are interferring with U.S. foreign

Their perception of world mar-kets is so different from our view-

point that our hopes for an effec-

for agriculture.

markets

Of EEC Farm Policies

from the weekend election losses in Hamburg suffered by Chancel-lor Helmut Schmidt's Social Democratic Party, dealers said.

The weakness of the mark against the dollar helped to alleviate some of the pressure that had built up within the European Monetary System last week, dealers said. Dealer calculations put the mark at the ten of the Europe the mark at the top of the EMS, but it was only 2.36 percent above the bottom-ranked Italian lira and 1.49 percent above the French franc in the middle.

The Swiss franc rallied sharply in the afternoon as Eurofranc rates firmed, dealers said. It closed at 2.0290 to the dollar, after an opening 20467 and Friday's close of

The British pound held steady despite another cut in the Bank of England's dealing rates in the money markets Monday, dealers

Closed at 3324-30 an ounce pared with \$318.50 on Fridater, in New York, gold \$13.10 to \$332.50 an ounce.

said. That cut, coupled with a simi-lar reduction Friday, has fanned speculation of a possible lowering of British base lending rates in the next week or so. The yen also benefited from the slight weakness of the dollar in the

afternoon. It closed at about its best for the day, 245.55 to the dollar, compared with an opening 246.10 and Friday's 243.60 finish.

The Canadian dollar recovered partly in the afternoon on North American buying but still finished below Friday's close, dealers said.

It closed at 79.76 U.S. cents, higher than its midday quote but still below Friday's 80.12 cents.

Gold in London climbed to Gold in London climbed to \$324.25 an ounce from Friday's close of \$318.50. In Zurich, gold closed at \$324.50 an ounce, compared with \$318.50 on Friday. Later, in New York, gold surged

about 44 million shares, compared with the 44.1 million traded Fri-

Analysts said they had expected

the rally attempt that had pushed

the Dow average up more than two points in mid-afternoon because

the average, which lost 14.56

points last week, has dropped 64.22 points since May 7.

Group said the public does not

But Larry Wachtel of the Bache

# **NYSE Prices Off** As Rally Bid Fails

NEW YORK - Prices on the New York Stock Exchange closed narrowly lower Monday as pes-simistic investors focused on high interest rates, a poor economic outlook and Israel's invasion of

The Dow Jones industrial average attempted a technical rally after dropping below the support level of 800 in the morning. But there was no follow-through to the uptrend, and the average eased back down in the last hour of trading, closing off 0.95 at 804.03. Declines led advances by a 9-tostrong against the mark, benefiting 5 margin, and volume totaled

rapidly," Mr. Block said.
"We have only one alternative,"

he said. "That alternative is to de-

viate temporarily from our free

market stance and engage in costly

short run trade wars. If that is what it takes to achieve the princi-

ples of free markets, then we'll

have to start looking more serious-

will continue working with other

concerned nations to see if interna-

tional pressure can resolve the

problem, but he pledged to stand

firmly behind the free market prin-

other non-European export com-

petitors, especially Canada, for re-

fusing to curtail their production this year as the United States is

doing to cope with price-depress-ing world grain and fiber surplus-

Mr. Block was also critical of

Mr. Block said the government

ly in that direction.

seem to have any confidence in the market. He said any rally that starts now will probably be in the nature of a technical rebound that would bring the Dow average only as high as 830 before another downturn set in. **Block Highly Critical** 

Middle East tensions, which have plagued the market periodically since 1973, arose again when Israeli troops invaded southern Lebanon. Also, traders still were distressed

about the economy, which has been in a yearlong recession that does not give many signs of stop-Interest rates remained high and showed no signs of coming down soon as demand for loans re-

mained strong and the nation's money supply growth rate was In the morning Continental Bank of Philadelphia raised its prime rate back to 161/2 percent from 16 percent, leaving only two major banks — Citibank and First

National Bank of Boston - at the lower level. On the NYSE floor, several oil stocks performed well, bolstered by the news last week that Britain raised the price of North Sea oil

and by projections that domestic gasoline prices will rise. Gains were recorded by active Union Oil of California, up 11/2 to 36; Atlantic Richfield, 11/2 to 41%; Standard Oil of Indiana, 1% to 44%; and Shell, 1% to 38%.

# Banco di Napoli

500 branch offices

is opening its Frankfurt branch office with the aim of providing assistance to businessmen and organizations.



Frankfurt o/M-Guiollettstrasse, 54 Tel. 611.723441

Head Office: Naples Brussels-Buenos Aires-London-Luxemburg-Moscow-New York-Paris-Sofia-Zurich Monday's NYSE Closing Prices
Tables include the nationwide prices up to the closing on Wall Street.

28/19 13/19 14/19 15/19 2.80 ptE.88 pr1.17 pr1.46 2.10 pt 2 1.76e n .10 2.70 80 1.74 1.06 pf2.86 1.40 sf2.19 pfC11.25 2.76 1 2.40 pf6.74 pf 12 20 1.80 n f in pf 1.10 1.200 if 2.10 2.20 2.84 I 92 pf5.88 s .48 401-CSX
22%-COdence
File Codence
File Codenc .00 52 23 1.00 6 1.00 1.00 6 1 8 .800 1 2.20 1 38 pf 5.51 pf 5.51 pf 3.64 pf 3.64 pf 3.64 pf 1.25 n 1.20 1.40 1.40 .74 4 2120 2120 2390 2390 223 38 282 483 483

> **INDONESIA** SOUTH SUMATERA **BUKIT ASAM COAL MINING DEVELOPMENT** AND TRANSPORTATION PROJECT

# TENDER NOTICE

TENDER NOS. 06a, 06b, 06e, 06f 1/2/3/4/5/8/9/10/11/12

The Government of Indonesia has received a loan from the International Bank for Reconstruction and Development of approximately US\$ 185 million to develop an open pit mine at Bukit Asam, South Sumatera to provide coal to an 800 MW steam power generating plant presently under construction at Suralaya, West Java.

Part of the proceeds of this loan will be used towards eligible contracts payments for the acquisition of equipment delivered duty paid job site if within Indonesia or F.A.S. Port of Embarkation if imported. The following is a listing of equipments by bid package:

| DESCRIPTION  | KW<br>APPROX             | PAY<br>LOAD<br>M³/T      | QTY.             | DESCRIPTION  | APPROX | PAY<br>LOAD<br>MP/T      | QTY |
|--|--------------------------|--------------------------|------------------|--|--------|--------------------------|-----|
| Bid Package 06.a<br>Dozers, Loaders, Pipe Layers,<br>Graders, Backhoe  | 100                      |                          |                  | Bld Package 06.f.5<br>Rough Terrain Emergency<br>Ambulance Vehicle   | 75     | -                        | 2   |
| Wheel Loader Wheel Loader Track-type Loader Track-type Loader  | 130<br>250<br>150<br>105 | 3.0<br>5.0<br>2.3<br>1.5 | 3<br>5<br>1<br>4 | Bid Package 06.f.8 Diesei Generating set 250 KVA, 500 V  | -      | -                        | 2   |
| Track-type Dozer Track-type Dozer Pipe Layer   | 225<br>105<br>150        |                          | 5<br>6<br>3      | Diesel Generating set,<br>60 KVA, 500/380/220 V<br>  Movable Transformer,<br>175 KVA, 6KV/500/380/220V   | -      | -                        | 2   |
| Grader<br>Backhoe<br>Hydraulic Excavator   | 135<br>95<br>250         | 1.3<br>3.0               | 5<br>3<br>2      | incl. 100 M. Cable and<br>Switchboard<br>Bid Package 06.f.9  | -      | -                        | 2   |
| Bid Package 06.b<br>Mobile Telescope Cranes<br>Mobile Telescope Crane<br>Mobile Telescope Crane  | 125<br>150               | 15<br>45                 | 2                | Crushing and screening plant: One each portable crushing and screening plant to manufacture construction aggregates for  | -      | -                        | 1   |
| Bid Package 06.e  Drilling Rigs  Drill-air crawler mounted 100 mm.  Portable diesel air compressor  750 cfm  Blast hole rig w/ air compressor  Exploration rig w/ air compressor | -<br>-<br>-              |                          | 2<br>2<br>3<br>1 | Bukit Asam Mine Development Complex. Production requirement 179 metric tons per hour. Products to include: - Concrete aggregates - Aggregate base course - Subbase aggregate |        |                          |     |
| Bid Package 06.f<br>Miscellaneous In-Pit<br>Support Équipment  |                          |                          |                  | Paving aggregate     Rip rap  Bid Package 06.f.10  |        |                          |     |
| Bid Package 06.f.1<br>Rear Dump Trucks   | 336                      | 31                       | 9                | Water Truck  | 336    | 10,000<br>(gal-<br>lons) | 2   |
| Bid Package 06.f.2<br>Compacting Roller  | 95                       | - }                      | 2                | Bid Package 06.1.11  | _      | 10119/                   | 1   |
| Bid Package 06.f.3<br>Fuel Trucks  | 205 .                    | -                        | 3                | Bid Package 06.f.12 Portable flood light   | 10     | _                        | 6   |
| Bid Package 06.f.4<br>Fire Truck   | 80                       | -                        | 2                | 1 Orașio nocu ngin   |        |                          | -   |

Bidders will be required to demonstrate in-country Indonesia service and spare parts facilities. The Bid Documents will be available for a US\$ 100.00 (one hundred dollars) per bid package from 30 June 1982 at the following address :

## BAMCO

Procurement Manager Wisma Pede, 3rd floor Jl. M.T. Haryono kav 17 Telp: 827327, 827335, 827341 Telex: 48373 PPI IA

Sealed Bids for this equipment will be due at محتذا مند لأصل ress on 16 August 1982.

都是特别是不是不是一个,我们就是一个,我们不是一个,我们不是一个,我们的,我们的,我们也不是一个,我们们的,我们们的,我们们也不是一个,我们的,我们们的,我们们 我们们是不是一个,我们们的一个,我们们不是一个,我们们的,我们们的一个,我们们们的一个,我们们们们们也不是一个,我们们们的一个,我们们们们们的一个,我们们们们的 91 ,40 ,42 1,521 pf 1 pf 1,40 # 40 pri 140 2.48 5 .78 1 .72 Control Contro pi 46 pi 465 pi 212 1,60 3,76 pi 4,50 pi 4,50 pi 7,72 pi 7,84 pi 7,72 pi 7,84 pi 7,86 pi 7,86 pi 2,20 2.30 pf4.63 1.64 1e n 2 1.10 1 1.10s — 20 1.12 1.8b .18b 2½ d 2¾ 7¼ 7% 13¾ 13¾ 27 26¾ 13½ 012 52 51¾ 26¾ 26¾ 13¾ 12¾ 13¾ 12¾ 16¾ 15¾ 9 49 9 81½ 81½ 22¼ 22¼ 22¼ 22 24¼ 25% is then since the substitution of the substitu 200 Dellaron 1814 Dellaron 1815 Dellaron 181 | 1925| 1934| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935| 1935 9 1.60 2 2 1 2.40 1.52 

For non-U.S. citizens who want to invest cash in the U.S. Dollar and naintain complete safety and liquidity

## ALLIANCE INTERNATIONAL **DOLLAR RESERVES**

Dollar Offshore Money Market Fund No U.S. Withholding Tax Net Yield above Eurodollar Call

Deposit Rates Maximum Quality and Safety 24-Hour Liquidity through Bank-Wire Redemption

\$5,000 Minimum Initial Investment

ARTENIA TO THE TENENT OF THE T

2,16

10 21 11 147 PRADE TO BE A STATE OF THE STAT

London EC4R 1AD

FOR OFFERING CIRCULAR 01-248 8881 Joseph C. Williams Telex: 8881*2*1 TO THE SECOND STREET AND THE PROPERTY OF THE P 5 1.79 6 4 92 1.40 9f 16 1.72 800 22r 48 2011年代的经验,并以通过的经验的企业,但是不是有的的企业,是是是一个企业的企业,是是是一个企业的企业的企业,是是一个企业的企业,是是一个企业的企业,但是是一个企业的企业,但是是一个企业的企业,是是 AMERICA STANDARD STAN | 1984 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 99.89.57 244 1800 11.12 20% NBD 20% NBL 11 NCMB 21 NL NBL 21 NL NBL 22 NBL T 22 N

1.30 1.32 .16 1.20 5.80 2.10 1.20 2.80 2.80 2.80 2.80 2.80

40 5 40 120 120

5 77 24 14 2186 26 140 7.0 6 x136 4.4 2 3 4.4 2 3 5.2 9 34 4.4 3 3 5.2 9 34 6.5 4 263 7.7 6 17 5.6 12 1929 20 73 5.6 12 1929 7.4 6 167 7.4 6 167 7.4 6 167 7.5 6 204 13 3 5 2 3% 2 3% 34 18 17% 12% 12% 12% 12% 13% 13% 13% 13% 13% 13% 13% 13% 23% 23% 23% 4 + 1/2 2 - 1/2 17 - 1/2 17 - 1/2 19 12 12 19 13 1/2 + 1/2 14 12 + 1/2 23 14 .60 1.40 .26 15 296

Rin : 2.55 1.255 1.206 1.20

(Continued on Page 20)

CHICAGO - The seven largest steel companies in the United States, citing the depressed condi-tion of the industry and bleak prospects, have asked the United Steelworkers union to renegotiate its basic labor agreement, which is scheduled to expire Aug. 1, 1983.

The contract covers about 250,000 production workers at the nation's major steel mills, includ-ing U.S. Steel Corp., Bethlehem Steel, the lones & Laughlin steel division of LTV. Republic. National, Armoco and Inland. The contrast also is the model for contracts affecting thousands of workers at smaller steel companies. The request for new talks to be-

gin this month came in a letter signed by the chief industry negoti-ator. Bruce Johnston of U.S. Steel, and delivered to the union's presi-dent. Lloyd McBride on Friday.

The letter, according to a union representative who asked to remain anonymous, "only asked that talks start early, but did not mention specifics. But everybody is assuming that there will be a request for concessions. That seems to be

Rob Toy, layoff chairman at USW Local 1256, said the Mon Valley Unemployed Steelworkers Committee will meet Wednesday with other groups to plot strategy against any contract concession

to hear about concessions," he

## Meeting Called

The national union has called for a meeting June 18 of the presidents of its 600 locals, who comprise the union's basic industry bargaining conference.

There has been speculation for weeks among the industry observ-ers that steel companies were prepared to ask for a reopening of the contract and for concessions.

But the formal decision by the

The Biggest Names Left on Boeing's

Orders Option

30

10

37

173

123

Orders Option

Airbus Industrie's

**Biggest Customers** 

Orders Option

138

56

10

62

**Order Pad** 

American Airlines

767

Delta

Other

TOTAL

757

Other

TOTAL

Eastern

KI M

Air France

Thai International

Singapore Airlines 12

United

Ali Nippon

Air Canada

Trans World

**British Airways** 

Trans Brasil

"Personally, when U.S. Steel week at the urging of the chairman spends \$6.5 billion on an oil company (Marathon Oil), I don't want tlem, during the general meeting of the American Iron and Steel Institute in New York.

Industry analysts said Sunday that the companies would seek either a new long-term contract or major modifications in existing contract terms, including the openended cost-of-living wage escalator clause and the health care provi-

Industry speculation included the theory that agreements would follow the pattern of being similar to those in the auto industry, which recently got workers to rescind pay raises and defer cost-of-living allowances in exchange for companies reportedly came last

profit-sharing plans, job security and limited plant closing moratori-

"The autoworkers generally precede steel and if they get X percent, then steel asks for X percent plus something," a steel industry source said. "It went that way when they were going up, so I would not be surprised if that was the case when they were going

Some smaller steel companies already have requested significant concessions from their union employees, and recently the chairman of U.S. Steel, David Roderick, said that labor give-backs would be necessary to "prevent the liquida-tion" of the steel industry.

# U.S. Purchase Agents Say Slump Worsened because generally the purchasing managers report has been an accu-

ing further doubts that a recovery will occur until later in the year at opments in the manufacturing sec-He said that changes in the way the Labor Department seasonally adjusts its figures may explain the

The purchasing managers in-dex, which measures new orders, production, employment, vendor performance and inventories, fell to 35 percent in May, from 39.6 percent in April A reading below 50 percent indicates that the econ-

The decline from 21 percent to 13 percent of those agents reporting new orders is the most alarm-ing of the group's findings, said Charles T. Haffey, association chairman.

"Purchase commitments are shrinking at a startling rate, indicating purchasing managers' con-tinued caution about the future." said the association's report, which found that the number of managers buying capital goods six months or more ahead was the lowest in nearly 27 years.

The purchasing managers be-lieve the economy will not improve until the 1983 budget is approved interest rates come down and the July tax cuts take effect.

A slowing in price increases for the fourth consecutive month "continues to be the only good news," the report said.

Balance Sheet

Cash and bank balances

Deposits with banks and

financial institutions

Marketable securities

Commercial loans

and advances

Interest receivable

Total assets

Chairman

Abdulwahab A. Aj-Tammar

Interest income

Interest expense

Otherincome-net

Netincome Transfer to statutory reserve

Transfer to general reserve

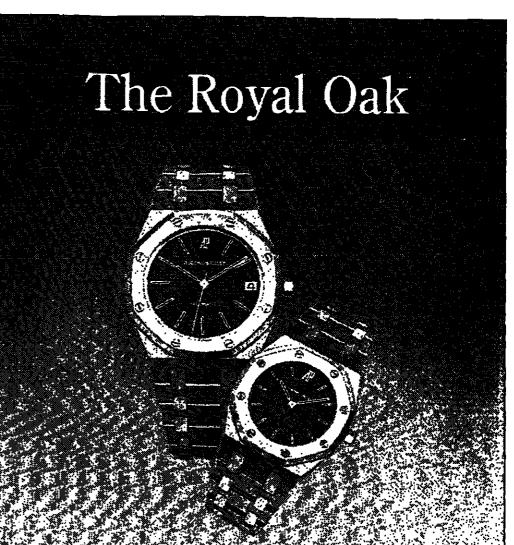
Retained Earnings

Netinterestincome

General and financial expenses

Net operating income

Otherassets



حكذا من الأصل

# **Boeing Fights Cutbacks** In Ex-Im Bank Credits

head of international sales, "those programs are going to struggle

An estimated 40 percent of worldwide commercial fleets are due for replacement in the second half of the decade. That is a main factor in Boeing's predictions that \$126 billion in aircraft orders will be placed during the next 10 years. Despite Airbus's weak sales in the United States, the consortium has strong orders in Europe and

has pushed hard in the Middle East, Latin America and Africa. The tally to date includes 90 firm orders for the new A-310 compared with 173 for the competing

Boring officials refuse to concode that the Airbus is a technological match to their models. Instead, they contend that govern-ment subsidies in the range of \$5 billion to \$6 billion have kept Airbus prices in line with Boeing's. They also say a financing morass ng from Ex-Im Bank policies puts Boeing at a disadvantage when Airbus can offer a more attractive linancing package.

- Airbus says that the A-310 is

winning orders on its own techno-logical merits. "We have not achieved market share with sleight-of-hand financing," said Pierre Pailleret, scaior vice president of marketing. "Our competitors have not lost market share as a result of lack of Ex-lin Bank support and to suggest otherwise is specious."

The United States and the Europena countries backing Airbus last summer agreed to keep interest rates on commercial aircraft sales logged through September this year at a minimum of 12 percent for 10 years. But the Ex-Im Bank, under Mr. Draper, added a servicing for that effectively raised the true to 12.5 percent.

In addition, the Ex-Im bank said

**COMPANY** 

REPORTS

Australia

Britain

ensule and profits, in millions, are in local community unless otherwise indicated.

Suzuki, Pakistan in Accord

Resters
KARACHI — Japan's Suzuki

Motors and the state-run Pakistan Automobile Corp. have agreed to a plan under which Suzuki cars will

be built in Pakistan. The compa-

nies plan to produce 25,000 vehi-des annually beginning in Septem-ber, sources said Sanday.

ed in buying the 747. It argued that inasmuch as no foreign aircraft competitor had so large a plane available, it was not necessary for Boeing to get favorable financing compared with open mar-ket rates. Boeing contends that the smaller, shorter-range A-300 does compete against the 747. The Ex-Im Bank is reconsidering its policy on the 747.

No one is certain how many or-ders Boeing has lost as a result of Ex-Im Bank policies. "There are probably some exaggerations" by Boeing, Mr. Nisbet said, At any rate, he added, "a high level of sales have gone through the Ex-Im Bank, and many would have taken place without the subsidy."

in fiscal 1981, foreign purchasers of Boeing aircraft received \$2.4 billion of Ex-Im's \$5 billion in loans, or nearly all of the \$2.6 billion in loans to foreign buyers of aircraft. But in the first half of this year, just \$40 million has been used in aircraft sales, with only \$11.7 million to a Boeing custom-

For whatever reason, Boeing has lost sales abroad and the company's net income fell 58 percent, to \$61 million, or 63 cents a share, in the first quarter. Sales fell 13 percent, to \$2.1 billion.

Boeing had stored up more than \$2.3 billion in cash by the end of 1979, when huge profits from the 727 and 747 programs were still

But with \$3 billion already spent to bring out the 757 and 767 and orders falling. Boeing is spending cash, about \$400 million more a quarter than it is taking in. In the first quarter, airlines announced orders for 23 planes valued at \$725 million, down from the \$2.6 billion on orders for 91 planes in the first three months of 1981.

With an average of \$20 million at first that it would not lead any tied up in inventories during the money to foreign airlines interestyear. Boeing's cash "is melting like

snow under the sun," Mr. Demisch

That will make it more difficult for Boeing to offer financing to airlines. At the end of March, long-term customer financing amounted to \$315 million, down 19 percent from a year ago.

Boeing followers say that the company has been successful in gauging the unusual, 10-year cycles that characterize the aerospace business. They acknowledge that if the 757 and 767 programs do not catch on, the company could be

202

# forced into a major contraction. Most think that is unlikely. Issue for American Natural

LONDON — A \$60-million, seven-year Eurobond for American Natural Resources has been postponed due to poor market conditions, lead manager Goldman Sachs International said Monday.

"The borrower wanted a success, and these are not the market conditions for a success," a Gold-man Sachs manager said. The bond had indicated terms of a count price, with final pricing set for June 14. 15%-percent coupon and slight dis-

In Copenhagen, Den Danske Bank said it will issue \$30 million in floating-rate notes to increase reserves. Interest on the issue, managed by Saudi International Bank, will be fixed semianusally at 3/16 point over London interbank offered rates, he said.

Repayment of the notes will be made in June 1989. The issue will be formally signed next week the spokesman said.

In Frankfurt, market source said the French automaker Renault was raising 75 million Deutsche marks through a private placement of live-year Eurobonds yielding 9.375 percent. The bond, lead managed by Deutsche Bank, carries a 9%

well above average yields in the domestic market of 9.05-percent

last year.

will be repaid in October.
The deferral affects all salaried employees including division presi-

BRANTFORD, Ontario - Salaried employees at Massey-Fergu-son Ltd. plants across North America are taking pay cuts of 20 to 25 percent for three months and dents and Victor Rice, the compa-

Bond dealers said the coupon. for five-year paper, reflects the weaker standing of France in the market and the borrower's losses

99.5, will be retired in stages after the first two years for an average maturity of 6½ years. Lead mana-ger is Deutsche Bank.

The city of Copenhagen was said to be raising 75 million DM through an issue of 10-year Eurobonds yielding an average 9.33 percent. The bonds, with a coupon of 94 percent priced at 00.5 mill be regired in stages after

Delayed by Lead Manager percent coupon and is priced at

## Massey Defers Salaries To Help Conserve Cash

ny's chief executive officer.

# omy is in decline.

Production, incoming new cr-ders and employment fell sharply from April, amounting to "the worst performance for new orders" and production since December," the National Association of Purchasing Management said The rate of decline in the economy has been improving since De-cember, "but May definitely re-versed the trend," it said.

New York Times Service

NEW YORK - The U.S. econo-

my declined sharply in May, cast-

the earliest, according to a survey

of purchasing managers in the leading U.S. industrial companies.

The association's findings on May employment conflict with the more encouraging statistics issued by the Labor Department. Accord-ing to the association, 49 percent of the purchasing agents reported lower employment in May, a number that has not been exceeded since 1958 and up sharply from 38 percent in April.

## Bit of a Puzzle

In contrast, the Labor Department has said that unemployment nationwide rose only 0.1 percentage point in May, to 9.5 percent, and that the number of employed workers actually increased for the first time since January.

"I don't know who is right," said Theodore Torda, a Commerce Department economist who uses the data to create an index of industrial activity. "It is a bit of a puzzle,

## Britain's Surplus In Trade Increased Sharply in March

LONDON - Britain's merchandise trade surplus rose 44 per-cent from February's level to £222 million (\$397.9 million) in March the Trade Department said Mon-

Exports rose three percent to £4.58 billion, while imports in-creased two percent to £4.36 bil-lion. The swing from a deficit to a small surplus in trade in non-oil goods was partially offset by a declining surplus in oil trade.

The March surplus on the current account, a broader measure of trade performance, was projected at £331 million, with net earnings from services such as banking, shipping, insurance and tourism estimated sharply lower at £109 million from £480 million in Febmary, it added.

The estimated February current account surplus was revised down-ward to £264 million from £654 million, the department said, adding that revisions following a change in statistical treatment of Britain's EEC budget refunds have also affected previous months' current account surpluses.

In the first quarter Britain's merchandise trade surplus dropped almost 58 percent from the 1981 fourth quarter £224 million, and the estimated current account surplus fell about the same percentage to £553 million. The percentage to £553 million. The department said the increase in export volume during 1981 appeared to have peaked during the 1981 fourth quarter.

This announcement appears as a matter of record only. The 1987 Notes, the 1989 Notes and the Warrants have not been registered for offer or sale in the United States or to United States nationals or residents.



U.S. \$100,000,000

# Manufacturers Hanover Overseas **Capital Corporation**

135% Guaranteed Notes due May 15, 1987
With Warrants to Purchase U.S. \$200,000,000 145% Guaranteed Notes due May 15, 1989

The 1987 Notes and the 1989 Notes are Unconditionally Guaranteed by Manufacturers Hanover Corporation

Goldman Sachs International Corp.

Banque Nationale de Paris Credit Suisse First Boston Limited Merrill Lynch International & Co. Salomon Brothers International

Manufacturers Hanover Limited

Banque de Paris et des Pays-Bas Deutsche Bank Aktiengesellschaft

Morgan Stanley International

Union Bank of Switzerland (Securities) Limited

**Arab Banking Corporation (ABC)** 

New York Branch: 245 Park Avenue, New York, NY 10167. Telephone: (212) 850 0600. Telex: 427531 ABCNY. Arab Banking Corporation (ABC), London Branch, Licensed Deposit Taken. 6-8 Bishopsgare, London EC2N 4AQ. Telephone: 01-283 8511. Telex: 893748 ABC GEN G. Continental European Representative Office:

Mongan House, 1 Angel Court, London EC2R 7HJ. Telephone: 01-606 5461. Telex: 8956601-2 ABC-G.

AKAB BANKING TURPUKATIUN

At the ordinary general meeting held on March 10th, 1982, the general assembly of Arab Banking Corporation (B.S.C.) ratified the:

(1) Report of the Board of Directors of the Corporation covering the first financial year

(4) Appropriation of net profits for the period as proposed by the Board as follows:

General reserve (created on voluntary basis) (100,000)

Liabilities

Customers' deposits

Total liabilities

Statutory reserve

General reserve

Retained earnings

Total shareholders equity

**Equity Capital** 

Share capital

138,535

(13,853)

24,682

Deposits from banks and financial institutions

Other payables and accrued liabilities

Total liabilities and shareholders equity

of the Corporation ending on December 31st, 1981.

(3) Auditors report of January 13th, 1982.

Total net profits

Retained earnings

President and Chief Executive

Statement of Income and Retained Farnings

Abdulla A. Saudi

(2) Financial statements of the Corporation as at December 31st, 1981.

Statutory reserve (10 per cent of profits)

U.S.\$ (000)

298,313

3,094,647

1,228,472

132,694

4,788,024

30,709

3,189



U.S.\$ (000)

3,274,363

3,899,489

750,000

13,853

100,000

24,682

888,535

4,788,024

U.S.\$ (000) 618,041

458,889

159,152

162,028

2,876

5,000

18,493

<u>23.49</u>3 138,535

13,853

100,000

113,853

24,682

495,168

101,273

28,685

29 }

4:

33 44:

39 53 39 53

44

Robian Robias Rochel Rochel Robini Robini Robini Robias Rosson Ro

THE SECOND PROPERTY OF THE SECOND PROPERTY OF

Amsterdam

27.50 27.50 27.50 25.70 31.10 154.00 17.100 24.70 24.70 112.50 112.50 112.50 23.69 24.70 25.70 26.70 2

78.60 52.10 48.00 13.30

1,700 1,238 2,090 1,632 1,575 1,718 3,250 4,790 4,550 1,230 1,340 2,770 2,100

Frankfurt

App-Chs (ndex : 50.30 Previous : 91.00

2014 20 17% 017% 17% 017% 13% 12% 14% 14 14% 21% 47% 20% 47% 45% 47% 20% 27% 20% 27% 20% 17% 16% 17% 16% 17% 16% 17% 16% 17% 16% 17% 16% 17% 17% 17% 20% 21% 21% 21% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22% 22%

17% TECO
14 TRE
17% TECO
14 TRE
17% TR

7. Time 1.400 1.48 72 1.34 39 1.40b 22 4 1.80 2.20 pl 2.25 1.50

1.00 pr2.40 s1.20 s 48 1.50 s 48 1.50 pr4.50

.52 pf 1 280 272

,40 pf2.14 3.80 pf2.67 1.92 .850 2.04 .30 2.04 1.80 pf2.06

1.00 | 1.212 | 1.00 | 1.212 | 1.00 | 1.212 | 1.00 | 1.25 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

1.80 3.23 3.67 972.50 40 377 3.16 59 1.92 1.92 3.70 40

Other Markets

187.50 187.50 120.40 120.40 141.00 14

184.50 58.00 407.50 117.00 117.00 117.00 144.50 201.65 772.00 57.70 68.50 144.00 144.00 144.00 144.00 144.00 144.00 144.00 144.00 144.00 144.00 144.00 144.00 144.00 144.00 144.00

Hong Kong

16.50 16.50

\$876 0.99 0.5492 1.17

Bostoci Centrole 3.91
Credito Ital 4.57
Flot I.67
Flot I

**Paris** 

174 — Wa 1774 —

1950年,1950年

1944年,1945年

13th Ste Linstand
11th 5th UBEN 1
15th 27th Unline 1
27th 27th Unline 1
27th 27th Unline 1
15th 27th Unline 1
15th 27th Unline 1
15th 27th Unline 1
15th 1
1

4.5% | 1.12 | 1.26 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 | 1.

1,46 def1,13 pf2,54 1,29 1,29 pf2,50 pr4,50 pf4,12

1.60 1.30 ptC3 1.60 1.20 n,10e .437 2.16

121 251 975.75 975.75 975.55 2,14 1,80 1,80 1,80 972.20

10 第一次从近次的第三人

151,50 216,00

151.60 214.60

rk : 107.19 : 116.67

- W. W 71
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5 20
12.5

1990年的 1990年 1990

708 162 280 2,300 2,300

说这多<sub>是</sub>有是和意识是对话的是一种,但是是是是是是是一种的。

Zarich

500 2,700 1,

(Continued From Page 18)

Sirkering 44 a a 44 by 1. I so a traite of the sirker of t 1944 + 40 to 1970 - 1974 + 19 to 1970 - 1974 - 1975 + 19 to 1975 - 1975 

INTERNATIONAL

**EXECUTIVE OPPORTUNITIES** 

jeune collaborateur. Rattaché à la Direction Générale, il contri-buera par ses interventions à coordonner, animer, contrôler les dirigeants de filiales ou de différents services. Il favorisera ainsi l'application d'une politique générale tant au niveau financier, commercial que gestionnaire.

que Anglais-Français, de nationalité américaine ou anglaise, diplômé d'un MBA ou équivalent. on évolutive pour un candidat motivé et bon org Adressez votre candidature, sous référence 9858 à :

SHEARSON/AMERICAN EXPRESS

is looking for SECURITY AND COMMODITY

with banking or brokerage backgrounds or full registration

Shearson/American Express Inc. - Brussels

INVESTMENT EXECUTIVES

SUPERV

OF organisation et publicité

Please mail application and c.v. to:

368, Avenue Louise, Bte 1, 1050 Brussels.

inc. - Brussels

.80 .80 .50 1.20 1.68 Pf 4 17th Phillips
17 .64 1.24g 2.36 40 1.40g 2.76 2.16 70.75 5.32 50 1.20 6.54 2.35 \$1.28 1.249 .16 .96 .96 .91 

.16 .12 1.854 .60 .40 .40 .80

1.50 .84 n.44 1 1.40 5 .50 5/2.13 

| 1745 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 

1,84 ,40 1,08 2,80 pf2,25 pf4,10 1,80 1,60 1,60 pf ,80

54, RB ind 194 RCA 194 RCA 1954 RCA 1954 RCA 1954 RCA 1954 RCA 1954 Roman 1956 Roman 195

June 7 Proper PSW PC PS

NICKOG NICOKET NICKOST Gave Fin Grander Grander Grander Grander Grander Hodger Horder Ho 811-46 11-46 11 

INTERNATIONAL

THE SECOND WORLD'S LARGEST COMPUTER
GRAPHICS MANUFACTURER, VERY STRONG
GROWTH = 78 % IN 1981, ESTABLISHED
WORLDWIDE (RESEARCH CENTERS IN FRANCE
AND CALIFORNIA, SUBSIDIARIES
IN THE PRINCIPAL COUNTRIES OF EUROPE), IS EXPANDING ITS INTERNATIONAL MARKET AND SEEKS

EXPORT TERRITORY SALES MANAGER **COMPUTER GRAPHICS** PERIPHERALS

To advise and motivate distributors. Negotiate directly with prospects in some countries. Develop markets with computer manufacturers; have complete marketing responsibility for the development of an international territory. If you have experience in this type of work or have suitable knowledge and experience selling data processing products, there may be a career for you, particularly if you have a knowledge

 Write to Benson
 The Detrop of the Poster of ZI Les Petites Haies
1 rue Jean Lemoine 94015 CRÉTEIL

SCHEFFE CONTRIBUTE OF THE PROPERTY OF THE PROP

Selected Over-the-Counter

**EXECUTIVE OPPORTUNITIES** 

Dans le cadre de l'extension de son service "obligations internationales" la Direction Financière de la Banque Hervet recherche

# **UN EXPLOITANT**

Sa première expérience de 2 ans minimum lui a permis d'obtenir une bonne connaissance de ce marché des obligations internationales et de faire la preuve de ses capacités commerciales.

Ce diplômé de l'enseignement supérieur possède une parfaite maîtrise de l'anglais (lu, écrit, parlé) et si possible de l'allemand.

Merci d'adresser lettre manuscrite, C.V., photo et pré- 2 tentions, au service recrutement de la Banque Hervet, 127, av. Charles de Gaulle, 92201 NEUILLY-SUR-SEINE. 2

For information & cost of advertising

# 5AE 7 POUR UNE DE SES FILIALES T.P. Irak recherche un Directeur de Travaux/ Chef d'Agence

il devra superviser l'exécution des travaux, gérer le chantier, assurer les contacts avec les instances ministérielles et administratives.

c'est un Ingénieur de Grande École du BTP, bilingue anglais. Outre une solide expérience sur le terrain (de préférence dans le secteur pétrolier), il a des compétences de gestionnaire et des qualités de contact qui en font un manager

La rémunération est élevée ; le logement est assuré ainsi que la scolarisation 🖁

Envoyer lettre manuscrite, C.V à SAE - Direction du Personn

entionennt la réf. 21635 CA - JK محدا مندلاصل

ntact for France and any country not listed below: PARIS (HEAD OFFICE)

Max Ferrero, 181 Ave. Charles-de-Gaulle 92521 Neuilly Cedex, France. Tel.: 747-12-65. Telex: 613595,

EUROPE Austrie: Mc Kim White Tel.; 526397. Tx.; 74434. Belgium & Lizzembourg: Arthur Malsr Tel.; 343.18.99. Tx.; 23922 AMX.

Germany: Heldi Jung or S. Konrod Tel.: 726755. Tx.: 416721 IHT D. Greece & Cypres: J.C. Rennesson Tel.: 3618397. Tx.: 218344IBS GR. halys Antonio Sambretta Tel., 679 34 37. Tx., 610161. Netherlands: A. Teesing/A. Grim Tel., 020-263615, Tx., 13133. ortugal: Rita Ambar Tel.: 67 27 93 8. 66 25 44.

Scondinavia: Emma Raech London Tel.: 01 836 4802. Tx.: 262009. Spain: Alfredo Umbauff Samiento Tel.: 455 28 91. Tx.: 46172 COYAE Switzerland: G. Ven Thuyne & M. Wolter Tel.: (021) 25 58 94. Tx. 25722 GVT CH. United Kingdom: Emma Rasch Tel.: 01 836 4802, Tx.: 262009. Canadian Stock Markets

Toronto 100 C Nor West 1716 Can Trust 1800 C Tung 100 CGE 20035 CI Bk Com

Gold Markets June 7 Chrae +6.40 +5.45 +6.50 +6.50 +6.50 a gnd

Gold Options (prices in \$/02.) Prices Aug. Peb. 19,50-22.50 10,00-13,00 5,00- 7,00 3,00- 5,00 33,00-36,00 24,00-27,00 18,00-21,00 21.50-24.50 13.50-16.50 9.50-12.50 5.50-7.50 Valeurs White Weld S.A.

A SECTION AND A SECTION AND A SECTION AND ASSESSED AND ASSESSED AND ASSESSED AND ASSESSED AND ASSESSED ASSESSED AND ASSESSED ASSESSEDAD ASSESSED ASSESSEDAD ASSESSED ASSESSEDADAS ASSESSEDADAS ASSESSEDAD

Celonese
Chemiste
Con Distrib
Con Ferriy
Con Ferriy
Con Ferriy
Conventra
Conventra
Conventra
Conventra
Conron A
Craismi
Conron A
Craismi
Conron A
Craismi
Donn Dev
Doen A
Dicknsn A
Dicknsn A
Dicknsn A
Dicknsn A
Dicknsn A
Teleinan B
Domon I
Dofusco A
Dom Store
Vylox A
Tinco
Tichnon X
Tinco Imace
Extendeur
CA Inti
CA Inti
CFalcon C
Fibre Nik
Fruehauf
3 M Res
Shorathar
Broft G
GL Forest
Greyfind
Hrding A f
Howker
Howker
Howker

As of date: June 7, 1982.

F.P.S.
FINANCIAL PLANNING SERVICES BY
Kolvenshust 112, 3rd Hoer
1012 PK AMSTEDDAM, Holland.
Phones (9) 20-250-477/229873; Telaus 18536

PORTINAX DEVELOPMENT LIMITED Bid: U.S. \$2.30. Asked: U.S. \$2.60.

180 Oshhama A (
200 Parmour 460 Pancan P 460 Pancan P 460 Phonth Oil 170 P 190 P 190

Akai Asahi Chern. Asahi Glass Bit Tokyo Brideestone Conce Dol Nip. Print Dol Nip. Print Full Bank Full Photo Fullfsu Mitachi

Total sales: 495,26 shores Montreal Canadian Indexes

**Eurocurrency Interest Rates** 

为强强机场的设计,就是这种特殊的。 1966年,1966年

Monday's AMEX Closing Prices
Tables include the nationwide prices up to the closing on Wall Street. 121/25/14 4 5/4 1814/24 5/4 4/4 1/14/ .94 1.287 1.05 1.06 1.06 pf2.04 5 .12 9 .15 .25 1.654 n n 1.50 13 | 11-16 77 14. y10 21 22 2.P.29 | 1 14. | 3 31% 27% 31 % 61% 61% 61% 10% 223 16% 223 16% .40b 8.50 1294 694 13 13 145 21/2 6 414 434 434 63 3 84 103 103 25% 25% 25% 25% 25% 25% 25% 25% 25% .10e .12 0.60b 25 35 544, 544, 5 426, 546, 16 1596, 214, (2136, 446, 449, 204, 20, 64, 612, 1276, 1276, 1276, 1276, 1076, 101, 111 124. 6 274 Norda
1274 Norda
1 48 PQ 188 24 7 1 87 47 .26 9 1,160 1311 177 577 14 19% 19 4 5% 6% 15 11% 11% 2150 21% 621 13% 13% 4 4 7% 7% 10% 9% 134+ % 4 7%+ % 10% 16. 3 E7 10. 3 E7 10 49 17 20 EC 2% 7%+ % 7%+ % 2%- % 18 - % 7% 15 16+7-16 16 -- % 11% C. POERIA
11% S. POERIA
11% S. POERIA
11% POERIA
11 18 - 72
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 36 + 18
18 12 to 399 20 220 230 230 37 1.60 20 2.23 2.23 01.45 41r .550 ,52 ) 45 g ,20 ,40 THE STATE AND THE STATE OF THE - R-R-R 11 Remains
11 Remains
12 Remains
12 Remains
12 Remains
13 Remains
14 Remains
14 Remains
15 Remains
15 Remains
16 Remains
17 Remains The second secon THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TO PERSON NAMED IN 22 .12 .50 .50 .50 .50 .01.50 .01.50 .12 1 .12

pł,54

1545 1096 SGL

P.S. P. P. S. P.

-20

.521

- 0.144 - 241 - 1.80

₩1 .30 .0

150 A 100 A

- LEH 50

40

1000

,771 2,88

¥.

.10

ă.

\*

(A) (A) (A) (A) (A) (A)

.17

.

보셨 쑈

38

32' 4 4 6.7<sup>10</sup>

13 T 24

A THE COMMITTEE OF THE

AND 2 FOR THE STATE OF THE STAT

The state of the s

1,9

81,16 \$7,44 \$7,34 \$7,13 \$7,15 \$7,05 \$7,05 Previder's open int 8, CASTLE 9, CASTLE 11st, Castle inc., Castle inc. 41-17 40-17 40-17 40-18 40-18 50-18 70.28 43.45 60.12 60.15 60.97 60.17 61.35 63.65 63.12 60.13 60.00 60.00 61.40 9-2 9-13 9-2 9 9-11 9 62.20 62.71 62.70 62.70 63.40 65.25 64.70 105.75 108.75 N.T. 122.00 124.50 N.T. N.T. 877 901 941 977 995 1,018 1,040 578 902 942 978 1,000 1,024 967 913 954 968 1,012 1,057 1,191 1,130 1,090 1,039 1,061 1,053 N.T. 1,291 1,138 1,094 1,080 1,064 1,062 1,202 1,139 1,095 1,082 1,070 1,064 1,203 1,149 1,140 1,060 1,060 1,050 1,204 1,141 1,141 1,061 1,065 1,065 London Metals 5% - % 11 + % 26% + % 27% - 1 % 27% Constitution of the consti Paris Commodities New York Futures Figures in French from High Low NIGAR 1,415 1,425 1,427 1,429 1,395 1,400 1,395 1,400 1,400 1,407 1,400 1,407 1,540 1,545 1,530 1,545 1,530 1,545 1,530 1,535 N.T. 1,430 1,434 N.T. 1,471 N.T. N.T. of 50 to Jiy Aug Oct Mov Dec Mary Jiy 3801 COCO Jiy Dec Mary Jiy Sep Dec Mary Jiy Sep 7.79 7.85 8.70 9.10 9.00 9.72 10.05 995 N.T. 1,080 N.T. N.T. N.T. Floating Rate Notes Closing prices, June 7 7% 7% 7% % 1012 18% 10%— 4

# Thy 11-14 Wilsons pd 1 20 15 Wilsons pd 1 1446 Elle Winshim 30 1846 6 Widshim 40 1276 4 Washes 41 27 1846 Wrother 41 19 Wrynth 50 1976 14 Wymbo 50 1516 69 Ymbo 3 **Securities Group Critical of Rule**

8 17 2010 39

Banks

15 1/16 167/16 157/16 157/16 154 154 161 154 154 151/16 157/16 157/16 157/16 157/16 157/16

Koreo Dav. Bis. 772-61
LTCB 483
LTCB 483
LTCB 584-85
LTCB 584-85
LTCB 584-85
LTCB 584-85
LTCB 584-87
Additional intil 584-88
Additional Fin 584-88
Additional

The selection of the contract of the contract

12% 10% 7% 15% 37% 20 21% 9% 11% 

,405 n ,445 ,95 ,29 n1,941

48 \* 512.612.12 \* 55.613.94.8819.93 \* F.

5

.60

7% 15% 25% 19% 26 17/2 21% 17/2 21% 10% 15% 15% 15%

See Vuicico

See Vuicico

See Vuicico

See Vuicico

7 38 Wooldor

79 36 Wooldor

79 37 Wooldor

79 Wooldor

70 Wooldor

70

NEW YORK — A securities industry group on Monday questioned whether the government was protecting investors through its recent efforts to cut red tape for companies seeking to raise money through the sale of stock and bonds.

The Securities Industry Association complained of Security and Exchange Commission panied of Security and Exchange Commission accelerated procedures for companies to register new publicly offered securities for sale. The group of stock brokerage and investment banking firms proposed a five-day "cooling off" period between the registration and the start of sales of the securities. SE TOKYO DECIVIENT
SE TOKYO DECIVIENT
SE TOKYO HEID SIA-80
SET LINE SIA-80
SEE SIA-80
SEC E SIA-8

"In balancing the needs for companies to issue securities quickly, because of market volatility, against the needs of investors to have adequate information and time to make good investment decisions, the pendulum has swung too far toward the side of issuers and their need for speed," the SIA said in a prepared

It also proposed that companies be required to provide additional information to investors in the prospectus describing the security being offered for sale.

The SEC's accelerated procedures for registering new securities, known as temporary Rule 415, were implemented in March, enabling companies to register an offering for sale and begin marketing securities as quickly as in a matter of hours.

Edgar D. Jannotta, chairman of the SIA and managing partner of the Chicago investment firm of William Blair & Co., and Edward L O'Brien, president of the industry group, wrote to the SEC to propose the changes and ask for an investigation of the impact of Rule 415 on smaller regional companies and smaller broker-dealers. Public hearings on the rule are scheduled to begin June 28.

Under the accelerated registration procecures, a company need only describe the pro-posed securities being offered for sale and identify the security firms underwriting the issue in a "bare bones" prospectus.

Anacompe ind Aven Prod Batter Indi Batter Indi Berdix, Berdix, Beth Sizel Bis Tirree CBS CIGNACP In CIGNACP IN CLC Am CSXCorp Comronir W CSXCoPP Commonined of Continuous of Costle Cive Coloneste Centex Corp Cliffit 4.50pf Chore March Chromolity Charliton ClavCiff Continuous of Coupin crofi 97 — 10014 1 Non Banks 16 11/16 8-17 16 16/16 1

Car Sales in U.K. 608.5 632.0 640.0 655.0 674.0 687.0 U.S. Money Rates Clean 13/2 12.00 14/2 13.37 12.84 13.35 13.45 Highs and Lows Jone 7 NEW HIGHS-S Roychem n WiscPw Li NEW LOWS-177 con Tell of Gental El of Gental

# Pool assembly as a series of the pool and period assembly pool and period assembly as a series of the pool and period assembly as a series of the pool and period as a series of the period as a series

Commodity Indexes

# Off 10.2% in May

May were 10.2 percent down on last year at 121,000 and compared

ers said Monday. Sales for the first five months of 1982 were off 2.8 percent to 672,000.

May imports took 56.2 percent of the market against 51.5 percent a year ago, while the five month import share stood at 57.7 percent against 53.4 percent in the '81 period.



rofitable Dally Trading Signal

## **COMMODITY AND STOCK TRADERS**

Software that does your hard work! Technical Analysis is performed with ease, speed, and precision using COMPUTRAC and an Apple microcomputer. Automatic updating of prices, tharts, studies, and bookkeeping. Used by professionals and individuals worldwide. COMPUTRAC 1021 9th. St. New Orleans, La. Tel. (504)895-1474 Tix. 8109516324 England Tel. 01 6236941 Germany 211 325252 Switzerland 22 218655 Singapore 3440442 Malaysia 3 631792 Australia 2 2336822.



ARNOLDO MONDADORI EDITORE S.p.A. Publishers with Head Office in Milan (Italy) Capital Lit. 15.000.000.000

ANNUAL GENERAL MEETING of 30th April 1982
The Meeting of the Company's Shareholders was held in Segrate on the 30th April 1982 in order to approve the Balance-Sheet as at 31st December

- In its report the Board of Directors emphasizes the following items:

  \* the balance-sheet closed with a net profit of Lit. 6.7 billion (as against a profit of Lit. 6 billion in 1980); the turnover for the year amounted to Lit. 436.4 billion (+ 1950):
- the exports, already included in the total turnover, amounted to Lit. 96.8
- billion (+ 14%);

  the turnover of the controlled companies stood at Lit. 277.3 billion (+ 44%), thus the Group's overall turnover reached Lit. 713 billion (+ 27%); the fixed assets in machinery added up to Lit. 74.2 billion; the depreciations for the financial year totalled Lit. 9 billion, of which
- Lit. 2.4 billion were calculated over and above the normal aliquots. The depreciation fund reached Lit. 52 billion; the reserves shown in the accounts went up to Lit. 37.7 billion; the personnel employed by the Company at 31st December 1981 num-
- bered 5,419. The Group's employees, including the controlled companies' staff, were 7,273. The Shareholders' Meeting approved the distribution of a unitary dividend in the same measure as last year (Lin. 140 for each preference share and

Lit, 120 for each ordinary share). However, owing to the increase in capital effected in 1981 partly by payment and partly free, the allocation of profit went up from Lit. 1,292 million to Lit. 1,938 million. The rest of the profit, amounting to Lit. 4,8 billion, was brought to reserves.

The Meeting further proceeded to:

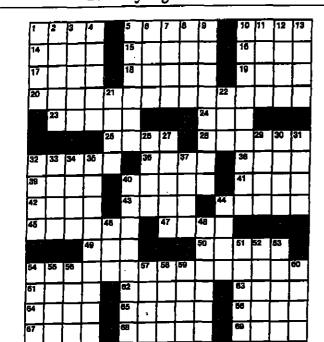
- appoint the Directors and the Auditors for the years 1982, 1983 and 1984, reconfirming the entire outgoing Board of Directors and the Auditors

 assign the task of auditing and the certification of the balance-sheet,
 approve the acquisition of the Company's own ordinary shares up to a maximum amount of Lit. 7 billion, with a view to their replacement for the extension of the share base. Lastly the extraordinary Meeting approved the free increase of the capital from Lit.15,000,000,000 to Lit. 22,500,000,000 through withdrawal from

available reserves. This will be carried out by the issuance of ordinary and preference shares (benefit 1/1/1982) in the ratio of one new share for every two old shares owned of the respective caregories.

The dividend is payable as of 10th May 1982 upon presentation of coupon n. 20, for the ordinary shares at the Securities Department of the Company's administrative office at Segrate (Milan), while the dividend for preference shares is payable also at the counters of the usual appointed Banks,

Edited by Eugene T. Maleska



63 "The— Horse" (Lou Gehrig)

**64** Declare

**65** Ancieni

form

67 Army chow 68 Like neglected

69 Cub Scout groups

DOWN

1 "Sultanate" of

Babe Ruth 2 Mexican coins

3 Like a popular

5 Anderson or Lyle

Actress Peggy

7 Eject 8 Bread spread

9 Strategy with a

man on base

WEATHER

porridge 4 Treasure

<u>ACROSS</u> 1 Catch sight of 5 Gather in a

1 W 1

6 Sc 10

20 Si 2t 21 R 21 B 32

22 S 24 N 35

N 31

25 E

e 4:

31 44 - 45

33 | 41; 37

51

bouncing ball ——one by (throw a fast strike) 14 Tear's associate 15 Nobel Prize

physicist: 1945 16 N.J. city word 19 Goddess of discord 20 Tinker 23 Kind of preview

24 Barfly's sound 25 His pitches cravel over 90 m.p.h. 28 "Do unto-32 Catches flies

36 Supertanker 38 American 39 Decant 48 Golfer's piece of turi

41 Competition for a permant 42 River in Italy 43 Bauxite and galena 44 Ruhr city

10 Where fans get tans Il Forsaken

47 Lew-13 Pitcher Rick 21 Corn spikes 22 A single is one comic 49 Buff 26 Moslem prince 27 Orange variety 23 Pitching data: 50 Writer Jong 54 Popular song of 1889

30 Boston's Jim 62 Water nymph for scene 32 Bath and Bex 33 Rumanian 34 Relative for

Charley 35 Some batted balls 37 Phillies' Pete — (third 40 ( —— (third baseman in Abbott-Costello skit)

Abbr.

44 Bobbles the ball 46 Repent 48 Prime 51 Homeric epic 52 Siren 53 Decorate

54 Grand——
(bases-full home run)
55 One of "Three Little Words" 56 Angers 57 K. Coyle's 58 Mineral suffix

— away (saved) 60 Slaughter or Cabell

# **CROSSWORD**



WHAT'S TODAY'S

AIN'T NO USE

IN GOING HOME.

J*ODY'S G*OT YOUR

GIRL AND GONE

AM I RIGHT

CAUGHT YOU!

WE'VE GOT A

HOW LONG WAS HE HERE ?

CORNER SHOP.

OR WRONG ?

B

0

N

D

В

E

E T

L

E

В

A

E

N

D

Y

C

A P

W

Ι

Z

A R

D

 $\mathbf{m}$ 

 $\mathbf{R}$ 

E X

M

0

 $\mathbf{R}$ 

G

A

N

N

S

B

U

R

YES SIR-I WAS ON DUTY THE NIGHT

DR. MORGAN MADE

A HOUSE CALL TO

SEE YOUR WIFE,

LACEY, AS EXCITED AS YOU MEAN J.I.S. I AM ABOUT THIS BA- WOULD THAT BY, I'M ALSO SCARED YOU "SCREW

TO DESTRU AFTER ALL. INC HALF AS

I REALLY SCREWED WELLTHE SEC-UP MY FIRST TIME. OND TIME, DEAR

MR. COLE.



THEY DON'T SCARE ME

MEAT LOAF

AM I RIGHT

OR WRONG

YOU'RE

HOW COME THE JOINT

IS FULL OF MEN? ... THE

SIGN SAYS LADIES NIGHT

I'D SAY ABOUT 20-30 MINUTES ---BUT IF YOU

WANT THE EXACT

TIME, I CAN LOOK

IT UP IN THE VISITORS' LOG-

BOOK!

BUT I WASN'T THERE! I RAN OUT!

HOW DO I KNOW I WON'T DO IT

AGAIN? AND WHAT ABOUT MY CAREER

CAN I HANDLE BOTH? IS IT FAIR TO DO BOTH? CAN I COUNT ON RICK TO

DO HIS SHARE? GOD, I JUST DON'T

RIGHT





FOOL'S MERCY

for that matter.

By Henry Allen. 287 pp. \$12.95.

rine, ex-newspaperman, ex-Senate aide, ex-everything, lives a life of des-

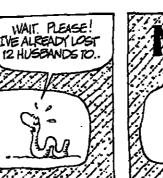
perate quietness in a 1938 pro-fab Sears bungalow until he meets Ellen

Cane, the quintessential golden girl. After that, Sault's life becomes an ex-

the nuclear books.

Reviewed by Ross Thomas

Houghton Mifflin, 2 Park St., Boston, Mass. 02107



ABOUT TODAY'S

MEAT LOAF?

SOUND OFF!

ONE, TWO, THREE,

FOUR, ONE, TWO,

THREE-FOUR









NO. THAT ISN'T NECESSARY, ROY! HAS THE

DOCTOR BEEN

HERE SINCE

THEN







WELL I — I DON'T RECALL HIS BEING IN THE BUILDING —BUT HE MAY HAVE

AT LEAST THIS TIME

YOU KNOW THE QUESTIONS, DEAR

GRAPPLE, GRAPPLE.

DROPPED HER OFF

IN HIS CAR-

## plutonium away. One is a Maslow-gulping killing machine called Carlos. TF YOU can't stand the heat," some of the hardnesed characters in which is not a bad name for a terror Henry Allen's very good novel about sex, death, and intrigue in Washingust, and the other is the delightful bumbler, Farhad, "the eternal schieme ist, and the other is the de ton are fond of saying then "stay out of Nagasaki." Or Stuckey, Maryland, iel, a gommand of second chances who ... had come completely in-glued the instant he hit the USA; who According to a tattered 1971 edi-tion of "The World Almanac and

had stuck up a Pancake Palace is Hog-hwood Park. Florida, to get quitella money for the greyhounds; who had caught the clap twice at the same anal Book of Facts," there is no Stuckey, Maryland, although Allen assures us it is the "mean-dog and used-motorcysage parlor in Beaufort, South Carolina, who had mailed back to Teberan cle capital of the world" populated by "men who were proud to stand up matching sets of white plastic when they worked and women who loafers and belts," and so forth. liked to turn the lights out when they The people who hang out with Elen Cane come to bad ends. They are shot, stabbed, and pushed into rivers. made love." I can only conclude that the almanac is wrong and Allen is Named no doubt after members of the dynasty who founded that rash of godawful pecan-roll joints which fester along the interstates. Stuckey is where Gordon Sault, ex-Vietnam Ma-

Cane perhaps really did squissel some

Allen, through his considerable skillis able to make her both attractive and reprehensible by climbing inside her skull where all the neurosis writhe. We also understand how she might have got that way after her father tells her why she should appear to be kidnapped: "If the rest of the world thought you were missing, fine. Maybe it would remind them that I'm. more than some hit man in pinstripes, I'm a father, too." With fatherly ad-vice like that an offspring's therapy ills can only be astronomical

citing mess of violence, death, sex and scandal in approximately equal pro-Although Allen succeeds admirably in fleshing out his protagonist, Gor-don Sault, he does even better with Ellen Cane's father, a resident of Foxhall Road, which immediately signais almost all we need to know about the aging wire man. Eddie Conchis, who drives a burgundy Coupe de Ville and wears honest glen plaid soits and honest wingsipped shoes. Honesty him, was once an OSS-CIA operative who lucked into a job at the White House as a high-ranking aide to John Kennedy. It was there that John Cane plays a large role in Eddie's life. "I came up with the cute idea of cooking was the price you paid in this world," he figures. "Eddie's specialty was hon-esty of the negative-virtue sort: no It was a devilishly simple scheme. Just juggle the figures to make a few hundred pounds of plutonium show up missing and probably stolen at inbullshit. He suspected he had the field to himself."

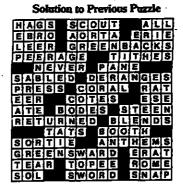
As a writer, or perhaps even a stylventory. Let the information leak out and it would turn into a political wild card. As Cane explains it to the Senist, Allen, a reporter for The Washington Post, is impressive. He has an ex-cellent ear for dialogue, reminiscent of ate committee he's been hauled up be-John Gregory Dunne and the early George V. Higgins, but without Hig-gins' sometimes irritating tape-recorfore, "The gist of it was that in a world in which no one would actually start a nuclear war, we could give everyone the opportunity to bluff, thereder effect. And best of all could be Allen's remarkable eye. He sees well and remembers better. Almost any by bringing all the benefits of nuclear stalemate to the underprivileged." But not everyone buys Cane's glib passage will serve; for instance, this one about Georgetown, which exexplanation. In fact, there are murplains why Gordon Sault prefers Stucmurs of treachery and even treason. To buy himself time and public symkey: "There were bay windows, brick sidewalks, magnolia trees, and brass pathy, he arranged to have his daugh-ter kidnapped by an over-the-hill wire plaques, shined daily, reading Trades-man's Entrance. There were slate man who once bugged Cane's wife and John Kennedy in some indelicate roofs, antique fire-company blazons over burglar-alarmed front doors, gas act. But the scheme backfires and lamps lit all day, and serpentine walls Cane calls on Gordon Sault to find all of it looking a bit too precise, as if and, if need be, rescue his daughter.
Riding into this scene in a clappedout Chevrolet Malibu are two Middle it were merely a scale model of a real Georgetown that was much larger, infinitely large, heaven itself."

East terrorists, bent on finding out if Although Georgetown, or Perfect-ville, as Sault calls it, has been burnished to a high gloss, the plot of "Fool's Mercy" might have used a bit more tinkering. A twist of a wrench here, a drop of Three-in-One oil there.

Allen has written a splendid sexy thriller which is also a fine book about Washington that recognizes it as a real city with strange dark corners into which the author has poked most skillfully.

Ross Thomas is the author of "The Mordida Man" and other novels. He wrote this review for The Washington

Carl We



**CHESS** By Robert Byrne

To escape the close arm-wrestling that characterizes so much contemporary positional play, it is neces-sary to venture out to the wild frontier of the new gambits.

Here there is no encyclopedic mass experience and theory to be mastered. Everyone is on his own. The play is untrammeled, fresh approach-es can and must be ventured, and the verities are hard to find.

Fighting a siege over a single weak square is overshadowed, if not obliterated, by the creative task of discovering what the real weaknesses are and how they might be attacked. The play is likely to be more raw than in the already-civilized openings, but it is also more fun.

A typical gambit that has appeared sporadically in the last few years can be seen in the game between the inter-national masters Ronald Henley of New York and Rafael Maninang of the Philippines in the First Lady Tournament in Surakarta and Denpasar, Indonesia. But don't look for a final judgment on the gambit in this

The sharp 6 Q-B21? already commits White to a gambit, since after 6... PxP. 7 PxP. B-N2 (7... NxP? drops a piece to 8 Q-K4ch); 8 P-K4 (8 N-B3?, NxP!; 9 Q-K4ch, Q-K2 costs White a pawn with nothing to show for it), Q-K2, the white QP can-not be defended.

The development with 11 B-KN5 is probably the strongest way to press for the attack; if this is postponed in favor of 11 N-B3, then 11 . . . N-K3 will hamper the white QB.

In the game between Kick Langeweg and Lajos Portisch, Amsterdam 1981, 13 QN-Q2, N-K3; 14 P-K5, 0-0; 15 KR-K1, Q-B2; 16 PxP, PxP, 17 B-N3, P-B4; 18 B-QB4, R-N1; 19 Q-R4, P-B5; 20 B-R4, B-K2 worked out to Black's advantage. Henley's 13 N-B3 was more formidable.

Maninang's 14 . . . P-KN4?! was perhaps too vigorous; a little consolidation with 14. Q-B2, stopping 15 N-Q5!, would have been commendable.

With 17 P-N4 and 18 P-QR4!, Henley threw everything into the attempt to open lines for his rooks against the black king. He didn't care about the possible breakup of his kingside by 18 . . . NxNch; 19 PxN, sure that he could ram through his attack ahead of any counterattack.

In this hypothetical variation, Black could go on to win a pawn with 19 . . NxN: 20 PxN, BxP, but then 21 PxP, NPxP (21 . . . QPxP; 22 B-R6ch, B-N2; 23 Q-B5ch, Q-Q2; 24 QxQch, RxQ; 25 R-K8ch, R-Q1; 26 BxBch costs a piece); 22 QR-N1, B-N2; 23 B-K4! is crushing.



HENLEY/WA Position after 25 . . . Q-QB2

Of course, without any preliminary, Maninang could have tried to pick up a pawn with 18 ... NxN; 19 PxN, BxP, but then 20 PxP, NPxP, 21

BxP, but then 20 PxP, NPxP; 21 NxN, QPxN; 22 QR-N1, B-Q3; 23 B-B5ch, K-B2; 24 Q-Q2, B-N2; 25 Q-R5ch, K-N1; 26 RxBch!, QxR (25 KxR; 27 R-N1ch, K-B3; 28 Q-N5ch, K-Q4 allows 29 R-Q1mate); 27 R-N1 wins the queen.

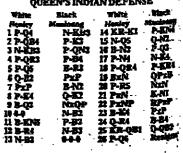
Despite the fury of Henley's onslaught, Manimang hung on grinlly. After 23 B-K4!, he still could not seize the QP, since 23 BxP\*; 24 BxB, RxB; 25 Q-R4!, Q-N2; 26 Q-K8ch, K-B2; 27 PxP, RxP; 28 KR-Q1 would have been fatal. have been fatal.

But after Henley's 25 KR-B1! what 

R7ch); 27 R-Olch, B-O5; 28 QxPch, K-B2; 29 NxB, RxN; 30 RxR, PxR; 31 R-B1ch, K-N1: 32 Q-Q6ch, K-R2;

33 R-N1! is smashing.
His 25 . . Q-QR2 was crushed at once by Henley's 26 P-Q6! Seeing that 26 . . QxP allows 27 Q-R7ch, K-B2; 28 QxBmate and that 26... RxP allows 27 Q-Rsch. BxQ; 28 RxBmate, Maninang gave

OUEENS INDIAN DEFENSE



LOW C F
4 57 Cloudy
16 61 Fair
25 77 Stormy
16 61 Cloudy
26 77 Cloudy
18 64 Fair
14 61 Rain
13 55 Fair
16 61 Stormy
17 54 Fair
27 72 Cloudy
18 64 Cloudy
18 64 Cloudy
18 54 Shower
12 54 Shower ALGARVE LOS ANGELES **ALGIERS** AMSTERDA Storm MANIL MEXICO CITY MIAMI MILAN MONTREAL AUCKLAND BELGRADE MUNICH NAIROBI NASSAU NEW DELHS BUCHAREST NICE CASABLANCA
CHICAGO
COPENHAGEN
COSTA DEL SOL
DAMASCUS
DUBLIN
EDINBURGH
EL DRENCE RIO DE JANSIRO SAO PAULO 11 52 Cloudy
14 57 Fair
20 68 Fair
23 73 Fair
4 39 Overca
15 50 Fair
20 68 Rain
6 61 Cloudy
20 68 Faggy
16 41 Cloudy
16 41 Cloudy
16 41 Cloudy
16 50 Claudy
16 50 Claudy
15 59 Claudy SEOUL SHANGKAI FLORENCE FRANKFURT SINGAPORE STOCKHOLM SYDNEY TAIPEI TELAVIV TOKYO TUNIS YENICE VIENNA WADSAW HELŞINKI HONG KONG HOUSTON ISTANBUL LAS PALMAS LISBON ZURICH

**ADVERTISEMENT** 

INTERNATIONAL FUNDS June 7, 1982 Other Funds Fund .... rustoor int. Fd (AEIF)....

Convert. Fd Int. A Carts...
Cowert. Fd Int. A Carts...
Convert. Fd Int. A Carts...
Convert. Fd Int. B Carts...
Carter. Fd Int. B Carts... Dreyfus Fund Ini'l ... Dreyfus Intercontine DM 16.79\* DM 62.77\* G.T. MANAGEMENT (UK) LTD

- (w) Berry Poc, Pd. Ltd.

- (w) G.T. Asia Flund.

- (w) G.T. Bond Fund.

- (w) G.T. Doller Fund.

- (a) G.T. Investment Fund. \$427 \$900 \$900 \$900 \$1477 \$957 \$1156 \$1477 \$957 \$1156 \$1157 \$1157 Joson Pecific Fund.
J.Rothschild Int Invs 'A'...
KB Income Fund.
Kleinwort Benson Int. Fd...
Kleinwort Benson Int. Fd...
Leverose Cop. Hold. INTERNATIONAL INCOME FUND 28-34 Hill St, St, Heller, Jersey — (d ) Short Term 'A' (Accum) ... — (d ) Short Term 'B' (Olstr) ... — (d ) Short Term 'B' (Accum) ... — (d ) Short Term 'B' (Distr) .... — (w) Long Term ... um Sel. Fund winem Intern'i Fund. n 1,105,63 SF 89,00 S 1,063,49

\$ 31.50

ROTHSCHILD ASSET MGTM (CI):

JUMBLE THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee NAANAB SACCES

**ENVAK** 

Print answer here: [

Unscramble these four Jumbles, one letter to each square, to form four ordinary words. KOHCE

WHAT THOSE LOVE BIRDS IN THE MARATHON SEEMED TO BE MOST OF THE TIME.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Jumbles: EXACT APART IMPUTE LATEST Yesterday's Answer: What there was plenty of at that all-girl jazz concert—"SAX" APPEAL

Imprime par P.I.O. - 1, Boulevard Ney 75018 Paris





YEAH, HE'S OLD ALL RIGHT, BUT I DON'T THINK HE'S A GEEZER. \*

# Watson Takes Detroit Grand Prix

By Shav Glick Los Angeles Times Service DETROIT - John Watson of Northern Ireland hurried his McLaren Cosworth from 17th poation to win Sunday's inaugural Formula One Grand Prix race

through the streets of downtown Detroit. The 2.59-mile course was narrow, but Watson passed Keke Rosberg for the lead after Rosberg had passed pole-sitter Alam Prost.
Watson's winning margin was just
over 15 seconds; be averaged 78.2

mph (125.12 kph). The course was bumpy, but 11 of the 23 starters finished the 62lap race, scheduled for 75 laps but and after two hours because of a formula One time limit. City and state officials estimated an attendance of between 75,000 and 100,000.

The only blemish was an hour's delay while emergency crews pulled two cars from the track after six laps. The race was stopped ter an input. The race was stopped became the cars — Riccardo Angese's Brabham Turbo and Roberto Goerrero's Ensign Cosworth — were dangerously positioned after a crash. Neither driver was in-

Prost, winner of two of this year's seven grand prix races, had led easily through those six laps, followed by Rosberg, Didier Pironi, Nigel Mansell and Bruno Giscomelli. Watson was still far back, having passed only two cars when the red flag came out.

Gentle Nudge

When the race resumed, it was apparent that Rosberg was going to eatch Prost, whose Renault was having braking problems. Rosberg made his move on Lap 24, moving inside on a turn. His tires touched Prost's and as they reached the turn together. Rosberg gently andged Prost aside and took over. Rosberg jumped to an impressive lead as Pironi, Eddie Cheever and Niki Landa all passed the ailing Prost, who dropped from second to seventh in one lap. By Lap 36 Rosberg had a 19-second mar-gin but Watson was beginning to anke his presence known: He ran

DETROIT GRAND PRIX estilly, type of cor, time and last

1. John Wei ) Differ : 1:37:44,126.42

10:5C(4), 49. 4. Jacons Leithe, France, Taibel Marre, 6). 7. Jachen Moss, Germany, Morch Cosworth L. Miles Strict, Switzerland, Arre

4. Bristlikesber, Mritsda, Tyrrell Commorth, 40. S. Retti Afficjar, Fronce, Remoull Turbo, 57.

DRIVER STANDINGS

J. Rictorde Petrese, Hoty, 13. 4 MRI Leide, Austrie, 12. Falliche, Alberte, Indry, and Cheever, 10. 8. Elle DeAmerita, Hoty and Nilsel Mansell.

re, Ayese (1), Crewier (2), EJAJETON (?).

Transactions

AMERICAL
American Lessure
CALIFORNIA—Pagest Dan Asson, efficier, on
the Blown thoselog fiel, flucated American American
Midder, front Southern of the Poettic Count
Ledges.
DETROST—Higging His American confidence from
Whiters. Celling to John Under, pricher, from
Eventualities of the American Association,
TORGATYON-Celling to Store Sentiment,
Midder, trans Systematic of the Independent
Midder, trans Systematic of the Independent
Midder.

"Tighted authorize, train Tighted of the interest of the interest Locone.

AITEMENTATION Sections of the Partie Count. Indian Local Country Country Liver Sections of the Partie Country Country Liver Country Country

ger e sakerala kur balir i barri

860 022 863 55--7 12 1 866 101 351 55--5 10 3

Margae, 3-2 selle—e Yark, warmager (5), Balland

the fastest lap of the race — in cars and still maintain my grip to traffic — and passed Giacomelli accelerate out of the corners.

Then came Watson's most harrowing moment. Giacomelli tried to repass a few corners later and didn't make it. The Italian's front wheel bashed into Watson's rear wheel, knocking Giacomelli's Alfa Romeo out of the race. Watson continued as if nothing had hap-

Rosberg, meanwhile, was 21 seconds ahead of Pironi, who was another 24 seconds ahead of Cheever, with McLaren teammates Lauda and Watson close behind. In a tremendous burst of speed, Watson passed Lauda and Cheever in one lap. Pironi on the next and

then set out after Rosberg. Lauda, two-time world champion, dropped out when he clipped wheels with lacouse I accord gear and he slipped back to fourth. wheels with Jacques Laffite.

Watson, at 36 the oldest driver in the race, made his winning move on Lap 42. Charging down a narrow alleyway between Detroit's city-county building and the Civic Center Motel, Watson outbraked Rosberg at the end of the straight and slipped by as they negotiated a 45-degree turn

"During practice I couldn't find a place to pass, but my car was not working well." Watson said. "In fact it was bloody awful, but we made some last-minute changes and during the race I found areas

where I could pass.
"It was easy. I would pass some cars, race to catch up to the next group, pass some more cars and race on to the next group. I was able to brake later than the other

The most difficult part was continuing to race hard even after I passed Keke. I had to make up the seconds I was behind when the race was stopped."

Under Formula One rules, if a race is stopped, each car is clocked in as it reaches the finish line. The margin of victory thus had to be more than the margin by which Watson trailed Rosberg at the red flag. For instance, if Rosberg had finished "second" only four or five seconds behind Watson, Rosberg would have been declared the winner.

Fortunately for Watson, chance of that happening diminished when Rosberg's Williams lost first

The U.S.-born Cheever, who has lived most of his life in Italy, fin-ished second — his best finish in four grand prix seasons — in a Talbot Matra. Pironi, the lone Ferrari driver after the recent death of Gilles Villanenve, finished third. Cheever's second place was pro-

tested because his team allegedly

refueled the car during the one-hour delay. The stewards rejected the protest late Sunday night . . "The finish was very satisfying," said Cheever, who had been fighting the flu all week. "Mine is an old car — 50 pounds heavier than all the others' - and I never dreamed I would finish second.

John [Watson] definitely had the

best car. I don't think anyone

could have beaten him even if they

hadn't had problems."



Andrew Toney blew past Earvin Johnson for two of the 76ers' 44 fourth-period points in Sunday's Game 5 of the NBA finals.

# Brewers Complete Sweep of A's,7-2

From Agency Dispatches
OAKLAND — The Milwankee Brewers stretched their winning streak to five games — the last four coming under their new manager, Harvey Kuenn — by beating Oakland, 7-2, here Sunday. Milwankee completed a weekend sweep of the A's, whose pitchers were strafed for 29 runs and 43 hits during the three-game series. The Brewers seem to be re-

BASEBALL ROUNDUP

sponding to Kuenn's low-key manner. "He just takes a carefree approach to the game," said outfield-er Gorman Thomas, who had a two-run double in Sunday's first

The whole situation was almost stagnant. We weren't going anywhere. The motivation wasn't there. I'm not going to cut him [former Manager Buck Rodgers]
down, but something had to be
done. We weren't even playing like
a good Triple A team. Picking Kuenn was a good selection."

Ted Simmons added a two-run omer in the Brewer first: Jim Gantner also homered as Pete Vuckovich, with relief help from Rollie Fingers, gained his seventh victory in nine decisions.

Royals 14, Yankees 1

In New York, Willie Aikens went 5-for-6 and drove in four-runs and Vida Blue pitched a twohit shutout over six innings as Kansas City routed the Yankees, 14-1. It was the Royals' fifth consecutive victory and New York's fifth loss in six games. George Brett had four of the winners 22 Of U.S. Golf by 7;

Tigers 10, Mariners 2

In Detroit, Lance Parrish keyed a six-run first with a three-run double and Dan Petry pitched a three-hitter to lead the Tigers to their seventh victory in nine games, 10-2, over Seattle. Petry (6-3) struck out five and walked three in Detroit's first decision in four 1982

Hayes produced three of four runs in the eighth as Cleveland posted a

hit a two-run home run with one out in the 11th to give Baltimore a 7-5 victory over Minnesota, the Twins' 16th loss in 17 games.

nome run to lead New York past the Reds, 6-3. Giants 5. Onls 3

Cubs, 5-3.

nals, 5-3.

In Chicago, Jim Wohlford's runbounded him, 31-22. "Darryl played a good game," said Abdul-Jabbar, who left the

Dodgers 5, Cardinals 3

In St. Louis, Steve Sax, whose seventh-inning error allowed three runs to score, tripled in two runs and scored another in the ninth to help Los Angeles down the Cardi-

EMPLOYMENT

DOMESTIC POSITIONS WANTED

NANNY/GOVERNESS Norland Incined, well spoken reficible prf. Sperienced with of oges of children, free soon. Fry Consultants, 7 High St. Addershot, Hants UK Tel. (252 31536).

BMSUSH NANNNES & Mothers' Helps free now. Nash Agency, 37 Grand Porode, Brighton, UK. Tel. 682 666.

REAL ESTATE

WANTED/EXCHANGE

VACATION HOUSE SWAP Coffornia

Lovely 2 bedroom nome, car. stantors compus for similar in Germanny, Aus-iria or Swizzerland for 2 or 3 weeks in Sept. (419) 857-9455 or Write: 2325 Cornell St., Palo Alto, Ca. 94306

**AUTOMOBILES** 

boosted San Francisco past the

**AUTOS TAX FREE** 

SHIPSIDE

TAX FREE CARS

All Makes - All Models

FREE MULTICOLOR CATOLOG

SHEPSIDE BUILDING POB 7568, Amsterdam Airport - C folland. Tel. (20) 152833 - Telex 12568

PHILADELPHIA — Kareem banging his sore hand during the Abdul-Jabbar scored six points, first half.

who put up only two shots after banging his sore hand during the crowd of 18,364 roared its approvhis all-time playoff low, and Dar-"We had a lot of guys in foul

76ers Whip Lakers, 135-102

ryl Dawkins contributed a rare trouble and they shot a lot more outstanding performance Sunday, free throws than we did [34-16 four Lakers had three fouls each at halftimel."

enabling the Philadelphia 76ers to rout the Los Angeles Lakers, 135-102, in Game 5 of the National Johnson said he had jammed the Basketball Association championknuckles of his right hand in an earlier playoff series against Phoe-It was the Lakers' worst defeat nix. "I didn't have any feeling in it for a while," said the 6-foot-9 allof the season and the worst ever in star guard. "There were a lot of In the second half, the 76ers things I couldn't do. I couldn't reach or hold, and if you can't do that against Julius [Erving], he's going to go for big numbers."

Missing his first seven shots, in a championship series game.

Laker center Abdul-Jabbar had
not scored fewer than 11 points in

Erving was held scoreless until 2:21 was left in the first half. He scored 18 of his 23 points in the second half, including 10 in the final period.

Erving said he was disappointed with his performance in the first half, when Andrew Toney carried Philadelphia with 19 of his gamehigh 31 points.

Long Odds

Asked if he thought the series could turn around now, Erving smiled and said, "I think it's already turned around." But the The Lakers hold a 3-2 advantage odds are not with the 76ers.

No team has overcome a 3-1 deficit to win an NBA champion-ship series. Los Angeles was 30-11 at home this season and is unbeaten in six playoff games at the Fo-

Tuesday night in Los Angeles.

The 76ers broke open a close game by outscoring the visitors, 12-2, to take an 80-72 lead with 3:44 left in the third period. The Although Coach Pat Riley said he was happy with his team's first-half performance, the Lakers looked like losers in the first quar-Lakers never got closer and trailed ter, committing 11 turnovers and making only 10 of 24 shots. Still, dul-Jabbar, scoring 20 points, ou-trebounding him, 7-4, and block-ing three shots in 28 minutes of the game was tied at the end of the period and was close until midway

through the third quarter. playing time. In the first four games, Abdul-Jabbar had outscored Dawkins, 84-43, and outre-Following the 17th tie (70-70), the 76ers went on their game-winning run.

Toney started it with a fastreak lay-up. Johnson missed two free throws and, after a dunk by Erving, Abdul-Jabbar missed two from the foul line. dressing room before most of his teammates had taken off their uni-

Bob McAdoo (23 points) made a short jumper, but Toney scored from 18 feet, Dawkins made a baseline jumper and Erving scored on a fast break to put Philadelphia on top, 80-72. Abdul-Jabbar then picked up an

"I was pleased with the way we were playing up until then." Riley said. "In a game like this, it comes down to whoever gets eight or 10 points in a row. In this series,

there's not much margin for error. Of Abdul-Jabbar's poor production, Riley commented: "You get a man in foul trouble and be can't play his game. It makes it very difficult. They were doubling and tripling on him. He was getting hammered, but he's been battling that for 13 years. He's dealt with it before and he'll deal with it Tues-

Dawkins, averaging just 10 points and five rebounds a game in this series, was not nearly as talkative as usual afterward. He seemed aware that he will be facing an aroused Abdul-Jabbar in Game 6. "He's a tough man," Dawkins said. "I don't know why I was able

to get inside so much."
Philadelphia Coach Billy Cunningham credited the defense with forcing all Laker turnovers and starting the 76er running game,

which set up 29 fast-break points. "We proved again that the key to our team is defense," he said. "If we give up easy baskets, we're in trouble.

"Our offense comes from our defense. All of a sudden somebody like Bobby Jones [a series-high 21 points in Game 5] is out on the

break, and we're getting the easy baskets. Said Norm Nixon, whose strong first half kept the Lakers in the game: "I don't think the intensity was equal. They were a lot hun-grier than us. Any time you get beaten or really embarrassed —

and that was embarrassing gives you something to think about." Jamaal Wilkes took it a step further. He said the Lakers, who took

an 11-1 playoff record into Game 5, had begun to believe they might be among the game's greatest "We were talking about it. They

were reading about it and it fired them up," said said. "We overlooked the fact that they are a great team — that this is the NBA linals and that the 76ers, belong

# John Watson

# Sunday's Major League Line Scores

\*\*\* PARTICIANA\*\* LEAGURE

\*\*\*BREAKER\*\* ON 600 601—2 7 0

\*\*\*PREMARIS\*\* ON 600 601—2 7 1

\*\*\*Lotter and T.Konnieder\*\*, Condelerius Scurry (7).

\*\*\*Tablute (7) and T.Pana, W— Tablete, 3-1, L—

\*\*Lotter and T.Pana, W— 10 010 210—3 13 0

\*\*Lotter and Tablete, 3-1, Arizo (7) and Hodess;

\*\*Padoria, Latherana\*\* (5). Arizo (7) and Hodess;

\*\*Lotter (7) and Travine, W— Swon, 4-1, L—

\*\*Lotter (7) and Travine, 4-1, Codeno (7).

\*\*Lotter (2) and (2) Cincinnati, Codeno (7).

\*\*Lotter (3) and (3 279 000 200-5 10 0 300 000 000-3 7 1 Effective floor (7), Cavalle (8), Minton (9) and Stasty, Martic, Ladeoth (7), Witemandez (7), Complet (7) and electored, Will Martin, 15, Ladeoth, mil. Hills—See Francisco, C.Dovis (4). New York 900 201 021-4 12 8

Allenia (P) and Corter; Wolk, Mirsting, Damen (P) and Corter; Wolk, Mirsting, (P), Corno (S) and Benedict, Walk, Mirsting, Damen (II), Waltoch (P), Allenia, Mirsting, Damen (III), Waltoch (P), Allenia, Mirsting, Damen (III), Waltoch (P), Allenia, 30 21 588 28 22 540 27 27 590 25 30 455 24 27 453 22 30 423 000 000 340--- 11 : 000 004 003---7 72 1 im, Marine (7), Former (8), Lyle (7), 2 (7) and S.Dies: Sullon, Ruble (5) and 3—Ruble 43. L.—Brussler, 3-2 AMERICAN LEAGUE First decine
100 000 000—1 4 1
000 000 20:—5 7 0
100 000 20:—5 7 0
100 000 100:—5 100
100 55 L-Springs (2), Admetiv (2), Boston Clevelond Atliwouke New York Chrysland Olimes (2) 140—2 11 5
Filiate 91 610 140—2 11 5
Filiate 91 610 610 610—5 9 1
Willia Bruyslan (3), Glynn (4), Whitnen (8),
fellians (8) and statusedow, Housey (8), Concy.
Dibyryy (4), 21. Jackson (7), Garvin (7),
Jischalesta (8), Sentymey (9) and B. Martine.
Wild (7), W— Giyan, 24, L—Garvin, 1-1, Hitney
Chrysland, Disses (3) Terusta, Usahaw (3),
feeting 98 300 800—2 3 1
Outrol
Pary, B.Clark (11, vandybjers (7), Gardill (8)
Mid Swept, Pairry and Parytsh, W—Patry, 4-3.







400 612 086--7 14 1 100 018 000-2 8 2 Vuckevich, Finsers (9) and Simmons: T.Underwood, Arraya (5), B.McLauphin (8) and M.Heath, W.—Vuckevich, 7-2, L.— T.Underwood, A.; HR.—Milwoukee, Simmons (M.). Ganitaer (3).
Chicago 010 000 300—4 7 1
Texas 200 011 11:-5 18 1
Defrant, Keesman (7). Barolas (8) and Fisk;
Audich, Schmidt (7) and Sundberg, W.—Schmidt,
1-1, L.—Koosman, 1-3, HR.— Chicago, Baines (5).

... It was easy.'

5-3 victory. Orioles 7, Twins 5

Blue Jays 5, Indians 1 Indians 5, Blue Jays 3

outings against the Mariners.

In Toronto, Willie Upshaw, Dave Revering and Lloyd Moseby hit home runs to back the four-hit pitching of Dave Stieb as the Blue Jays snapped Cleveland's 11-game winning streak, 5-1, in the opener of a doublebeader. In the nightcap, singles by Mike Hargrove and Von

In Minneapolis, Eddie Murray

In Anaheim, Calif., Rick Miller singled home the go-shead run and Jerry Remy followed with a sacrifice fly in the seventh inning to help Boston beat California 5-1.

In Arlington, Texas, Jim Sund-

Houston, Phil Garner's bases-loaded single off pitcher Warren Brusstar's glove with two out in the ninth capped a three-run Astro rally as Houston downed Philadel-

In Atlanta, eighth-inning RBI singles by Gary Carter and Chris

In Pittsburgh, Tony Pena's one-Lollar scored Lee Lacy from sec-

Mets 6, Reds 3 In Cincinnati, Craig Swan, making his first start since April 17. scattered eight hits over six innings and Ron Hodges hit a three-run

3d Victory of '82

winner on the 1982 U.S. professional golf tour by shooting a 3under-par 69 to win the Kemper Open Sunday by seven shots — the year's largest winning margin so far.

under-par 275. Spaniard Seve Ballesteros was second after a closing 69 gave him his 282. By missing a

two holes, increasing his lead over the nearest challenger from three shots to five. His 3-under-par front-nine 33 created a six-stroke



Cardinal catcher Glenn Brummer put the tag on Dodger pitcher Jerry Reuss on a close third-inning play Sunday in St. Louis. Reuss, who had doubled home a run, tried to score on Ken Landreaux's single but was thrown out by right fielder George Hendrick. The Dodgers won, 5-3.

The second secon

Red Sox 5, Angels 1

Rangers 5, White Sox 4

berg lined a two-out run-scoring double to left in the eighth to give Texas a 5-4 squeaker over Chicago. Astros 7, Phillies 6 In the National League, in

Expos 6, Braves 3

Speier were the keys to Montreal's 6-3 decision over the Braves, 6-3. Pirates 2, Padres 1

ond with the winner as the Pirates edged San Diego, 2-1.

Stadler Is Winner

BETHESDA, Md. - Craig Stadler became the first three-time

Stadler's 72-hole total was a 13-10-foot putt for a par at No. 18, Gil Morgan muffed an opportunity to the Ballesteros. Morgan dropped into a the at 283 with Jack Nicklaus; their respective closing

rounds were 73 and 74.
Stadler birdied Sunday's first

The reigning Masters champion, Stadler also won a 1982 tournment in Tucson, Ariz. Until Sunday, Lanny Wadkins' six-stroke Phoe-nix Open victory had been the year's biggest runaway.

**TRANSCO** PRIVATE SALE, LEAVING RUBOPE Ferrori Boser, 9000 ian, \$42,000 Ferrori 400, 22000 ian, \$42,000 Mercades 69, 7000 ian, \$34,000 Mercades 500 SL 5000 ian, \$33,000, TAX FREE CARS 1 Mercedes 500 SL 5000 km. \$33,000. el: Neilson (73) 01 35 00 Cop Ferral We keep a constant stock of more the one hundred brond new cors, competitively priced.

Send for free catalogue & stock list. Transco SA, 95 Noorderkon, 2030 Antwerp, Belgrum, Tek (931) 426 240, (10 Fired, 15s) 35207 TRANS B SILVER SHADOW, 75 White, navy blue interior, mint condition. Paris 246 14 19, office. LEGAL SERVICES **AUTO SHIPPING** TRANSCAR: Europe's largest for Cors, oho boggage & household effects worldwide. Contact Landon W1, 43/44 New Bond St., Tek 491 4121. Geneva 1219, 37/38 Ave, du Lignon. Tek 96 55 11. Fronsfurt, Langer Kornweg 16, D6092 Kelsterbach, Tek 50107 2051. The original & still the only fromscor Organization.

TRANSCAR 20 ros La Sueur, 75116
Paris. Tek 500 03 04. Nice: 83 95 33. Antwerp 33 99 85. Commes 39 43 44. US TAX, VISA & IMMIGRATION specialists. Tax returns prepared. Consultante USA, 91 Fbg St. Honore, Paris 8e. Tel: 266 90 75. The: 642066 F. AMERICAN LAWYER prepares US to returns. AMEAX, 11 Upper Brook St London W1. Tel: (01) 493 5468. SERVICES P2/INTERPRETER & TOURISM GUIDE Excellent Presentation, English/French. Paris 562 05 87. **AUTOS TAX FREE** IOUS ROYCE Shadow II & chauffe / tour cuide. Landon 0] 459 2284. EiROPORT TAX FREE CARS All makes, Call for free catalog. Box 12011, Rotterdom Airport, Holland Tel: 010-623077, Tbq 25071 EPCAR NL TOUR GUIDE IN N.Y.C. Tel. 16 [212] 539-2370. YOUNG MAN AS TOURIST GUIDE with car. Paris 325 11 11,

**ESCORTS & GUIDES** 06103-86122 Frankfurt - Wiesbaden -Calogne - Bonn - Ducces Essen - Berlin - Hamburg Stuttgart - Manich WITZERLAND: 0049-6103-86122 Zurich - Bosel - Lucerze - Berne -Louismne - Geneva.

IALY: 0049-6103-86122 Rome-Milan E.GRUM: 0049-6103-86122 Brussels + major cifies. ENGLAND: London 01-628 7969 OTHER ESC CAPITALS Tel: Germany 0-6103-86122

INTERNATIONAL **ESCORT SERVICE** AND PROMOTIONS N.Y. - U.S.A. Instruction of the Instruction o 212-765-7896

212-765-7754

330 W.56th St., N.Y., N.Y. 10019 This service has been featured in U.S.A. & international media industry radio & T.V.

A-AMERICAN ESCORT SERVICE **ESCORTS NY &** EVERYWHERE YOU ARE--OR GO America-Transworld 212-591-2934 212-461-6091 212-961-1945

Telephone write POB 176, Fresh Meadows, NY 11365, USA

scoring sacrifice fly in the seventh

Asked to explain how the 76ers had contained him, the 7-foot-2 center said brusquely: "They just pushed and shoved."

ship series.

son's jaw.

in the series.

their long playoff history.

**NBA FINALS** 

scored 81 points - the most ever

his 109 other playoff games.

The last time he failed to hit in

double figures in any game was opening day of the 1977-78 season,

when he scored two points before breaking his hand on Kent Ben-

day, because Earvin Johnson was hindered by a sore shooting hand

and because the Lakers committed

24 turnovers, Philadelphia stayed

in the best-of-seven competition.

whose sixth game will be played Tuesday night in Los Angeles.

by 16 early in the fourth quarter,

which they were outscored, 44-

Dawkins totally outplayed Ab-

Because of his low output Sun-

"This was the most physical game of the series," said Johnson,

# **CLASSIFIED ADVERTISEMENTS** HOLIDAYS & TRAVEL

**PORTUGAL** 

Please contact: rva, Tak: 2831 44, Tak

For other programs and detailed information, ask your

U.S.A.

EVASION

MADRID

Multilingual Escart & Guide Service. Tel: Madrid 261 41 42 - 261 43 35.

LA VENTURA

ESCORT SERVICE

N.Y.C. 212-888-1666

● ZURICH - GENEVA ●

TEL: 0049-6103-82048

LONDONMARHABA \*

Escort Agency

TEL: 01 262 5724

ARISTOCATS
Excet Services
London 437 4741/2
12 noon - midnight

ZURICH SOPHE ESCORT SERVICE TEL: 01/202 68 93,

LONDON RITZ

Escent Agency Tel: 01 435 9713, 4 p.m. - 12 midnight

PRANKFURT JEROWER'S Except Services TEL: 0611-686482.

GENEVA - EXCLUSIVE Excert Service. Afternoon & Evening Tel: 22/21 79 29.

LONDON - CHELSEA GUIL Econ Sur

vice, 51 Beauchamp Place, Londo SW3, Tel. 01 584 6513/2749, 4-12 pm.

Omego Escort Service Germany

7 DAYS INCLUSIVE TOURS FROM PARIS TO: 

PARES - NEW YORK: F1200. (Under certain conditions.) NEW YORK: LOS ANGELES: \$129. Contact your Paris U.S. Agent. Tel: 225 92 90 Paris. NEW YORK - £120. LA. -£180 from London. Tel: (01) 437 5492 Please Contact: Parts, Tal: 742 59 81; 742 52 64; 742 54 97. Thr: 220550. FROM ZURICH TO:

Cruise in Elegance to the GREEK ISLANDS, EGYPT, ISRAEL & TURKEY

ABOARD THE MODERN LIXURY SHIPS APPTER, JASON, ATLAS, MEPTUNE, HERMES. **EPIROTIKI LINES** 

PARS 16emer Place Rodin, Plain solic el verdure, desse etage, chombres 135 m2. Reception + 3 chombres Partings, femme de menoge, Jul liet/Aout, F10,000/mois. 288 46 62. REF YOUR, FILMON MICE. 200 NO S.C.
PRIVATE SALING party of 10
Greece, Agean. August. Place for 4
more. Quality batch, wind sarf board
\$1280/person. Munich 98 32 94 p.m.

**ESCORTS & GUIDES** 

**DONNA EVITA** ESCORT AGENCY **AMSTERDAM** TEL: 258633 CREDIT CARDS ACCEPTED

**ESCORT SERVICE IN NEW YORK** TEL: 212-737 3291.

\* SHE \*

CAPRICE

**ESCORTS & GUIDES** 

Excert Service AMSTERDAM Mojor Credit-Cards Accept Tel: 222940 CACHET U.S.A.

Other major aties available. **LONDON** Portman Escort Agency 67 Chilteen Street, London W1 : TEL: 486 3734 or 486 1158 Zurich - Geneva

(Continued From Back Page) SERVICES FOUNG WOMAN as tourist guide to business executives in Paris, 541 17 40. WARIS YOUNG INTERPRETER lady, good presentation. Tel 807 84 95 Paris

good presentation. PARIS TRAVEL ASSISTANT. BUSINESS INTERPRETE guide. Paris 774 75 66. LOW COST FLIGHTS

HOLIDAYS & TRAVEL

CHOICE OF 7-4-3-1 DAY CRUSES out of Athens (Pirage

LONDON BELGRAVIA Escort Service. Tel: 736 5877.

**AMSTERDAM** \* ANGEL \* ESCORT SERVICE, TEL: 85:2259 REGIO AMPORT TEL: 186164 CREDIT CARDS ACCEPTED

**AMSTERDAM** PSCORT SERVICE TEL: 223143. CREDIT CARDS ACCEPTED \* ALEXANDRIA \* Escort Service LONDON

794 5218 - 794 2901

CLUB 33

WEST END & HEATHROW

**LONDON WEST** 

HONESTY

ESCORT SERVICE we to Heathrow & West End LONDON 286 6528 PSCORT SERVICE NEW YORK 212-242-0838 or 212-474-1310 MIAM, FORDA 305-944-5483 FTLAUDEDALE, F.A. 305-942-5477 LONDON OXFORD ST ESCORT SERVICE Tel: 01 582 2408

ESCORT SERVICE TEL: 01 747 3304 LONDON, HEATHROW **AMSTERDAM** ESCORT GUIDE SERVICE SENCE 1973 Tel: 247731. Monique Excert & Guide Service Tel: 01 / 361 90 00

**HOLIDAYS & TRAVEL CRUISE** 

> m.s. Aquarius LONDON (01) 499 0076 260 38 57 4171248

7-DAY ELEGANCE

Greek Islands & Turkey

HELLAS YACHTING. Yocht chorters. Academics 28, Athens 134, Greece. HOTELS RESTAURANTS NIGHT CLUBS GREAT BRITAIN

TIME GASLIGHT OF ST JAMES'S. London's most exciting businessman inght club. No membership needed, 2 bors, restourant, deases of doncachle companions, tantalizing Cobaret acts. Happy hour 8 - 9 pm. If required, superb litres-course dinner, only 5975, plus service and tox. Entrence fee 5.75 (5.5 refunded to diners ordering before 9 pm. Open Mon - Fri. 8 pm. - 2 cm. 501, 9 pm. - 2 cm. 4 Dulse of York Street, SWI. Tel: 01-930 1648/4950. STORE/CASCAIS .... SFr. 1295.00 c427520

TRAVEL AGENT SHOPPING CHARTER A VALEF VACHT in Greece direct from owner of lorgest fleet in Europa. American monogeneers. Excel-lent crews, service, moretanonce, govt. bondest. Volef Yochts Ltd., Alti Them-istolicous 22C, Fraeca. Creec. Tel. 4529571, 4529486. Teles: 21-2000. ZENA TAX PRE SHOP PARES 16th NEAR BOIS: Lovely 9 sq.m. summer home for couple. Port ing. F6000. Owner 504 29 21.

TUDOR HOTEL, 304 East 42nd St., New York City. In festionoble, East Side Marketten, ½ block from UN. Single from \$50; doubles from \$66. Teles. 422951. Tel: 800-522-7558 1-20 rue de la Palz, Paris 2nd Tel: 261 70 21 7s: 240246 Import Export **ESCORTS & GUIDES ESCORTS & GUIDES** DUSSELDORF ESCORT & TRAVEL Ser-vice. Tel: 0211-492605 EXECUTIVE CLASS OF London Escarios. Tel: 262 3108.

LONDON CHANTELLE Escort Service West End. 01 582 2408.

WASHINGTON DC: SANDY DAY. PO Box 1682, Alexandria, Virgina 22313 USA, Tel. 703-549-1255. 23:3 USA, 16h /03-549-1255.
ROME REMOPE CIAB Essort & Guide
Service. Tel. 06/589 2604 - 589 1146
(10 cm. - 10 pm.)
VIENNA - EXCLUSIVE Escort Service.
Tel. 47-74-61. BRUSSELS. VALERIE Escort Service. Tel: 343 25 52.

VIENNA ETORIA ESCORT Service. Tel: 56 78 55 NADRIO, IEUTH PSCORT SERVICE. Tel: 247 27 92. 10: 24 2/ 27 2.

REAMERIET - WIESBADEN - MARKE SHREY Escort Service 0511/287/29.

BACCARA-DUESERDORF Escort Service Tel: 0201-1356905.

HAMBURG ESCORT SERVICE Tel: 040/410-8238 or 410-3906

ZURICH SIMONE ESCORT Service. Tel: 241 63 76

LONDON CHLOE Excert Service. Tel. 381 9853. ONDON LINDSEY Excert Service. Tel. AL KNBOHT Escort Service, West End & Heathrow, London (71) 747 3304. AMSTERDAM-IB Escort Service. 227758 Butten Weiningenstract. 3 - 5. DUESSELDORF/COLOGNE. Donnero English Escort Agency. 0211/383141.

TAX FREE SHOPPING

ENGLISH ESCORT SERVICE At Heathrow, Tel 01 754 0568.

GENEVA V.LP. Service. Noon to midnight, Tel: 41 20 36.

Tel: 343 25 52.

BRUSSELS: CHANTAL Excert Service.
Tel: 539 03 18.

BRUSSELS: MARTINE Excert Service.
Tel: 428 01 42 ofter 2 pm.
VENNA-HARMONY ESCORT Service. Tel: 02244-2418. By Vienna

PRANKFURT - WIESBADEN - MAINZ Diono Scort Service. Tel: 04190-4488 PRANKFURT ISABELL ESCORT Ser-vice. Tel: 0611 422784. PRANKPURT - KAREN Escort Service. Tel: 0611-681662. FRANKURT BECORT SERVICE mean Fronkfurt airport. Tel: 06171-73908.

ARIANCH: STAR-ESCORT SERVICE Tel: (1939) 311 79 00.

GENEVA JADE DOMBNA ESCORT SERVICE Tel: (1939) 312 79 00.

SERVICE: Tel: (1922/31) 95 09

IONDON MALE Except Service. Tel.

Consumer, may I speak to you for a few minutes? "Sure, I'm not going anywhere."

When are you going to start spending money again so the econ-omy can get on its feet?"

When George lets me. He says we have to hunker down until the recession is

"But the recession will continue if you don't start

spending mon-"George afraid he'll lose his job. He want us doesn't to get into any Buchwald more debt than

Δı

1W I

15T 2 16C 2 17Si 2

20 S. ir 2

30

31 4:

33 | 4:

· 5;:

"Can I speak to George?"
"Go ahead. He's sitting in a chair over there watching televi-

sion."
"Hi, George, can I join you?"
"Sure, hunker down in a chair." \* \* \*

"You thinking about buying a new car soon? Not really. They sure look nice on television, but my old one runs okay. We'll stick with the one we got until things start looking up."
"When do you expect that to

happen?"
Reagan said either this spring or summer. You know they won't start

looking up unless you go out and buy a new car." Can't do it with those interest rates. I'm not going to buy a new

car until they come down. They won't come down if the

## 'Nicholas Nickleby' Wins Best-Play Tony

United Press Internat NEW YORK — "The Life and Adventures of Nicholas Nickle-by," a marathon 8½-hour production by the Royal Shakespeare Company of Britain, won the Tony Award Sunday night as the best play in the 1981-82 season.

David Edgar's adaptation of Charles Dickens' work, which played only a limited engagement, had entered the 35th annual Tony Award ceremonies as the heavy fa-

vorite for best play.
"Dreamgirls," a dazzling dance production, won six awards and "Nine," a musical based on Feder-ico Fellini's film "8½," took five.

economy doesn't look up, because business is not going to invest if they don't think you are ready to

spend some money." "I don't imagine you're planning on buying a new house this year." "You have to be kidding. I can't

even afford to paint this one." "George won't even let me recover the furniture. I was lucky to get the money to buy braces for our daughter.

"Doesn't it bother you, Mrs. Consumer, that you can no longer keep up with the Joneses?" Haven't you heard? Jones went bankrupt a few months ago. They took everything including his house. No one wants to keep up

with him any more." This is a very serious state of affairs. If no one is trying to keep up with the Joneses, then how do we get out of the recession?"
"Don't worry, Reagan will get
us out of it with his tax cut."

\* \* \* "What are you going to do with your tax cut, George?"

"Use it to pay my real estate taxes. The city really socked me this year, because they lost all their federal funds for education. I'm going to have to give them my federal tax cut plus a couple of thou-sand more, which I don't have."

"George, if you're not going to buy a house and you're not going to buy a car, and you're not going to buy any paint, the recession is going to continue indefinitely."
"I'd like to do my share, but I have to send my son to college this

year. Have you any idea what that is going to cost?" "Isn't there anything you want to buy immediately as an impulse item?"

"I could use a new TV set to watch the World Series."
"But they're all made in Japan. That's not going to help the Amer-

ican economy."
"I can't help that. It's the only entertainment we can afford during the recession."

"May I tell both of you that your attitude is counter to all the expectations of the economists, and as long as you persist in this frugality, we will never get out of the economic crisis we're in. You are not part of the problem any more. You ARE the problem. If you don't start spending money, who will?"
"Reagan will. Have you seen his budget for 1983?"

©1982, Los Angeles Times Syndicate

# One of 'Les Six' Is Still at Work

By Laura Mitgang New York Times Service

PARIS - Germaine Tail-leferre, the only woman in leferre, the only woman in the post-World War I group of young composers known as Les Six and one of the two members still living, celebrated her 90th birthday on April 19. Shortly before that, the Paris Opéra paid homage to her with a performance of her new "Concerto de la Fidelité" for high voice and orchestra.

Les Six resulted more from

friendship than a doctrine but

was nevertheless inspired by a general reaction against Impressionism. Promoted by Jean Cocteau and Erik Satie, the group helped celebrate a youthful French spirit that had suffered in the trenches during World War L Tailleferre lives with her granddaughter, two cats and a dog in a modest apartment on Rue d'Assas, near the Jardin du Luxem-bourg. On Monday, Wednesday and Friday mornings, she walks to the nearby Ecole Alsacienne, where for five years she has improvised piano accompaniments for children's dance classes. But

## her primary activity remains composition. Wind 'Inspiration'

Asked about her work methods, she recalled with a malicious twinkle a story she created for an arrogant critic who was inquiring where her "inspiration" came from: "It has to be late at night," she mused, "in a room with the windows open and a full moon. I wait until a big gust of wind comes and then I close the windows right away so that I can trap it! And then I write."

More seriously, she later said, "First I use my head — what sounds, what form to give, how to do it. Next I look for a theme at the piano. If I find one, I begin to work, to write it, and from then on I use the piano a lot. But not out use the piano a lot. But not at the beginning. If the theme comes, things usually happen very quickly. In concertos, though, one may find a musical idea that works very well for the slow movement, and then write a poor beginning or finale. When there are three movements, there is always one that is better than the others.

As she talked, she often used

one of her two upright pianos to punctuate her recollections. With pleasure and absorption, she

songs that she is composing for children's voices. She apologized for her voice and her arthritic hands.

Music came naturally to Germaine Tailleferre. At the age of 5 she wrote her first piano piece, a Schumannesque melody. "I still remember this piece because it was an event for me. I didn't know the notes; I played by ear. Later, I had a hard time at the Conservatoire because my teacher was very strict, all the more so be-cause I had talent. She was right to teach me that music was not as easy as that."

Nevertheless, she earned more first prizes for brilliant studies at the Paris Conservatoire than her classmates and future colleagues Darius Milhaud, Arthur Honegger and Georges Auric.

ing member of Les Six. In his spacious apartment off the Avenue des Champs-Elysées, he recently explained, "You know, when one has a label, it is very hard to take it off. We did not want to keep it, but the press, the articles, the public called us 'Les Six' and there was nothing to be done about it."

Of Tailleferre, Auric said: "She was always very independent, and I think that what she wrote when she was young, as what she writes now, is remarkable. It is music of Germaine Tailleferre. Obviously her vocabulary has not changed But one can keep vocabulary and, with age, subtly transform what one writes to give it more weight, more gravity, more importance. And I think that her recent works, in that sense, are extraor-

dinary." Milhaud used to characterize



Germaine Tailleferre

comment that still pleases her, though she does not understand why many have called her music

"But what difference does it make? The essential thing is that it be music. I don't see any reason why I shouldn't write what I feel. If it gives the impression of being feminine that's fine. I was never tormented by explanations. I tried to do the best I could, but I never asked myself if it was feminine or not. If it is music, it is music. I find that I place myself more among the little masters of the 17th and 18th centuries. I have always been attracted to simple things like that."

Auric said, similarly: "I don't know what feminine music is. One would have to be a woman to try to understand. I don't know if there is masculine music, feminine music, androgynous music, lesbian music or pederastic music. For me, there is music, and that is all. If I listen to a work of Germaine Tailleferre's that I consider to be successful, I do not ask if it is masculine or feminine. It is music, and good music - that's enough for me."

Another old friend of Tail-leferre's is Henri Sauguet, who, with Roger Desormière, Henri Clientes Bland Cliquet-Pleyel and Maxime Jacob, participated in "L'Ecole d'Arcueil," formed in 1923, which immediately followed Les Six, although with less renown. The "school" derived its name from the Paris suburb where Satie lived until his death in 1925.

Sauguet, 81, wistfully recalled the years after World War I when he and his contemporaries were blazing new artistic trails. He contrasted former audiences, who did not hesitate to express their opinions actively, albeit violently, with the present sedate public.

He agreed that Tailleferre's music resembles that of the 18thcentury masters, but from the perspective of a 20th-century oman. In his opinion, Les Six both advanced Tailleferre's career by bringing attention to her music and became an obstacle that she had trouble surmounting. She could no longer be viewed purely as a composer, but rather as the only woman in Les Six.

Tailleferre's musical productivity did not stop after Les Six went their separate ways. (Louis

Durey, whose name is the least known now, was the first to break away, in 1921.) In Europe and in the United States, she and Alfred Cortot performed her 1924 Piano Concerto, of which Stravinsky re-marked, "C'est de la musique honnête!"

Between 1925 and 1926, Tailleferre made three trips to the eastern United States, and in December, 1926, she married Ralph Barton, an American caricannist and author. For a year they socialized with Charlie Chaplin, Sinclair Lewis, Alfred Knopf and other members of New York's litcrary and artistic set.

On the boat back to France in 1927, the writer Paul Claudel, who had collaborated with Milhaud and Honegger, asked her to compose the incidental music for "Sous les remparts d'Athènes." Ten years later, she worked with Paul Valèry on his "Cantate du Narcisse." In addition, she composed film music, orchestral works, operettas, con-certos, sonatas, ballets, chamber music and a number of works for the piano.

She and Barton were divorced in 1931. Her second husband was a French lawyer, Jean Lageaf, with whom she had one daughter. World War II took her to the United States again, from 1942 to 1946. While there she did little composing, but taught privately.

## Recent Prizes

After the war, works of hers such as "Paris-Magie" and "Il élait un petit navire" were performed at the Opéra-Comique in Paris. More recently, she has won a number of prizes, including the Grand Prix Musical de la Ville de Paris.

She continues to play the piano, see old friends, and work. "I have really gotten the better of interviewers who ask me, Why do you write music?' 'For money!' I said. It has always been that way. Each time I received a commission, whatever it was, I was glad to have earned a little bit more money. What do you want? One has to live. I continue to support myself through my profession.

But music also serves a more intimate purpose for Tailleferre. "I have had a very difficult life, you know. Only I do not like to talk about it. I write happy music as a release."

Laura Mitgang wrote her honors thesis on Ger sine Tailleserre at Oberlin (Ohio) College.

## PEOPLE

Executives Countingham. Agee Disclose Marriage

Bendix Corp. chairman William Agee and Seagram's vice president Mary Cambingham, whose friend-ship made the headlines when he devied publicly that her promo-tions at Bendix were due to a romantic involvement, have announced that they were married Saturday in San Francisco. The two have said repeatedly that it was not until after Cunningham resigned from Bendix because of the controversy that their friendship turned into romance. They announced their engagement earlier this year.

The Rolling Stones kicked off their first West German tour in six years with the first of two performances in Hannover, before 63,000 somewhat elderly fans, "We assume there won't be any trouble. as about 85 percent of the andi-ence belongs to the older genera-tion," said the Hannover police of ficer in charge of security. The avcrage age of the audience was estimated at 30. Lead singer Mick Jagger. 38, cavorted like a youngster, as usual

Amy Carter may have been a president's daughter, but she is also a kid — and she has admitted in a TV interview that she carved her initials in a windowsill at the White House The 14-year-old daughter of former President Jimmy Carter recently started a \$174. week summer job as a page at the State Department. \* \* \*

Professor Barry Singer, who of-fered course credit for sexual experimentation, has resigned from California State University-Long Beach. His course raised protests from politicians and religious leaders after it was reported that he offered credit for gay encounters, group sex and other options such as going in drag to gay bars.

Former Ohio State footbal! coach Woody Hayes will put his famed lungs to work Nov. 20 when he makes his debut as a soloist with the Columbus Symphony Orchestra. His assignment: To narrate a piece performed by the orchestra. The concert to be conducted by Richard Hayman, chief arranger of the Boston Pops. will have a sports theme, and the work Hayes will narrate will be announced later.

# AMERICA CALLING HR69RT. Travelers' messages. Write Box 6262, Olympia, WA 98502, USA. ANNOUNCEMENTS **SUBSCRIBE** to the INTERNATIONAL HERALD TRIBUNE As a new subscriber to the International Herald Tribune, you can save up to 46% of the newsstand price, depending on your country of residence. For details on this speedal introductory offer. IHT Subscriptions Department, 181, Avenue Charles-de-Gaylle, 12200 Neufly-sur-Seine, France. phone Paris 747-12-65 ext. 305 **EN ASIA AND PACIFIC**

nemational Herald Tribune Tai Sang Commercial Building 24-34 Hernesey Road HONG KONG Tel: HK 5-286726 SUBSCRIBE TO THE WALL STREET **JOURNAL** 

INTERNATIONAL AIR SOFTION Delivery by Jet Air Freight from New York every business day.

Send order with payment to Jone Tol THE WALL STREET JOURNAL Boulevard Charlemagne, 1 Past Bax 68 1041 Brussels, Belgium.

YOUR LONDON TICKET AGENT X for WIMBLEDON, CA75, yor events. Tel: Landon 242 8748. PORTUGAL SEE

AA in English deity, Peris. Tel: 325 76,03./551.38.90. MOVING **UNITED YAN LINES** 

SECOND TO NONE et Interactional Movi Huet International Moving 15 Rue Philippe de Dangeau 78000 Versailles Teh (3) 950 77 44 - Teleu: 696301F

A permanent choice of the very best in temporary multilingual office staff.

02/640.91.91 1050 Brussels

# MOVING **ALLIED VAN LINES** THE CAREFUL MOVERS

FRENCH PROVINCES

F. RIEHL 19 rue Remy-de-Gourmont, 75019 PARIS, Tel: 208 05 34.

CHAMPS ELYSES COTAG: 359 23 01.

CONTINEX: TE.. 281 18 81 PARIS. (Near OPERA). Air & Sea to all countries. Economy rates. Also baggage. BAGGAGE Sea/ Air Freight, removals, TRANSCAR, Paris. (1) 500 03 04. REAL ESTATE FOR SALE

PARISIAN ARCHITECT good contacts and reference the first order, can be YOUR CONTACT for all real estate operations, IN FRANCE

PARIS & SUBURBS

FRANCE: 14 r. de la Vega, Peris 12 Contacto Mr. McBain. Tel: 343 23 64

cing Merigny Gerdens, exclusive 300 m. perithouse, terrace on some level winter garden. Excining view over a is. 2 living rooms, 1 dining, 3 bed-oms, 2 baths, laundry room, equipped

GERMANY: INTL MOVING SERVICES Fronkfurt, 0611-781006. Munich, 089-142244. Dusseldorf, 02102-45023/24.

BUSINESS OPPORTUNITIES

C.C.M

'The Company People'

Formations in LO.M. Liberia, Turks, Noth. Antilles, Caymers, etc. Full bod-up provided including namination and secretarial services. Trusts formed and administrated. Contact us of 5 Upper Clearch St., Desigles, LO.M. Tel: 627900 CCMICM G

\*\*\*\*\*\*

For your U.K. Co. contact our Landon Office on 01-530 5969 or write to & Gordon Rd. Eaststoppl, Landon E) 1 288

CHICAGO, SALES OFFICE

PARIS & SUBURBS **AVE MONTAIGNE** High class, 120 sq.m. opertment beautiful 45 sq.m. pied-a-terre. RONTEIX 720 27 17.

a redecorded, 4 recaption rooms, 4 bedrooms, 3 bettle + mad's Ret, 2 bedrooms, 3 bettle - mad's Ret, 2 bedrooms, 3 bettle - mad's Ret, 2 bedrooms play bedrooms perforage. Seles office on site, 4 me Si Foul, Neully.

AVE MONTANGE: Unique duples, 8 bedrooms, 8 bettle Outstanding view on the Sens. Price \$3 million. McCred 725 55 18.

ST GERMAIN DES PRES, Rue de Seine, newly decorated fiet in 18th cantary building, 4th floor. 70 sc.m. surny, No lift, no opent, Tele 633 75 80.

6TH ST. GERMAIN DES PRES. Beoutifully restored fown house. 300 sq.m. McCred 723 55 18.

SWITZERLAND

**FOREIGNERS** 

**HORSE FARM** MAURICE BARRES, NEURLY: Owner sels luxurious 325 sq.m. Set, 5th Sport, overlocking Boir, entirely modernized 8, redecorded, 4 reception rooms, 4 fram, Soble Forla, New York 12912. Tel: (518) 647 5406. COMMERCIAL & INDUSTRIAL

SHOPPING CENTER
AUSTIN, TEXAS
hor tenants: Revox Drug, To
myoy, 10 shops, good location
unity increasing rents.
Price USS 1:221,495
Cash down: USS 899,488
Mantgage: USS 321,107 of 9%
Cented? Contest
UNIVESTORS S.A.
30 Avenue Legrand
1050 Brussels, Belgium
Tel: 649 96 66 Teles: 25 304 ns arry ya oo 1 mees 25 30 Agents for: Henry S. Miller Company of Delton and Houston. The Largest Recitor used in the Southwest USA.

REAL ESTATE TO RENT/SHARE

USA GENERAL

U.S.A.

**2000 ACRE** 

GREAT BRITAIN LONDON - For furnished flots & houses, the service leading US Corporations user Arscombe & Ringtond, Teli London 457 1722. Telieur 29960.

LONDON, For the best furnished flots and houses. Consult the Specialists, Philips, Kay and Lewis, Tel. London 839 2245.

**CLASSIFIED ADVERTISEMENTS** REAL ESTATE TO RENT/SHARE GREAT BRITAIN CENTRAL LONDON - Escutive ser vice apartments in new buildings, com fortably furnished and fully apurposed Daily maid service (Mon. through Fri. Color 1V. Phone for brachure (01) 389 1342 or write Presidential Estates (Moyfari) Utd., 1 University St., London WC1E 6JE. HOLLAND

flot in Amsterdom, Beethovenstr.81 1077 HP AMSTERDAM 020/797954. PARIS AREA FURNISHED Your Studio or 2-Room Apartment AT THE CLARIDGE 74 Champs Elysees 8th

I month or more
A prestigious oddress,
ction service, telest, message
sintenance service, security.
Private scion.
Tel: 359 67 97
Teles: 290 548F TOTEM UNIQUE

3 rooms, luxury penthouse Ponoromic view - top security Rent F 15,000 / month KFR: 296 88 88

AT HOME IN PARIS **PARIS PROMO** 

OFFICE SERVICES

YOUR

**FURNISHED OFFICE** 

IN PARIS

NEAR CHAMPS ELYSEES
Rentol with all office facilities
Muthlinguel Secretaries
box, phone, teles, mestage service
consideriors.

563 25 60

**International Business Message Center** 

16TH: Ave Victor Huga: Luxurious 2 rooms, kitchen, both, sunny, newly redecorated, corpeting, frome. F2300 72 42 ofter 6 pm.
EXCEPTIONAL APARTMENT. Flig St Honore. Sunny 100 sq.m. bolcomy, moid included. F250. 742 88 60 sm.
PONT DE NEURLY-Puteoux, high class, living, daing, 4 bedrooms. 776 tt3 42.
SHORT ISEM, LEFT BANK. No agency. Tek 329 38 83.

PARIS AREA UNFURNISHED

SPAIN COSTA DB. SOI, 15 core private estate with luxurious villa available July-August or other for weekly or monthly restroit. 3 or 4 moster bedroom suites, overlooking championship golf course + Mediterranear, lighted terreis court, pool, English speciang help. From US\$ 2000 weekly. Tel: 34-52-448078

Meeting Reams, projector and implements translation equipment. GEORGE V EXECUTIVE CENTER 30 AVE. GEORGE V, 75008 PARIS Tel: 723 78 08. Telex: 613 930F.

Is ready when you need it,
even for a catala of bours.

Fully functional modern affices are
conference rooms to rest by the
hour, day, month, stc...

Your topical or permanent bose.

Frestige making address. All services
BOSS BURO EXPRESS

"I are naled a "Afficiers"

91 Fig St Honore, 75008 Paris
Tels 266 90 75. Teless: 642066 F.

Your Testant Office:

\*Presige moting oddress

\*Telephone answering

\*Telex-focumile service
BUROCENTRE

18 Soint Genome Street

ZURICH 1: ANSWERING SERVICE, IMPETUS, Torgona 3, T: 252 76 21.

REAL ESTATE TO RENT/SHARE PARIS AREA FURNISHED INTERNATIONAL 551 66 99 rdonnale, 75007 Paris

EMBASSY SERVICE **Your Real Estate** 

AT SACLE STUDIO TO 7 ROOMS ARRIVISHED ON FURNISHED, SHORT TERM ACCEPTED.

46 rue de Naples 359 74 68 8th GEORGE V

Beautiful 5 rooms, nice reception, bedrooms, 2 baths, high class, we Coll 265 51 45.

ST HONORE New, 2 bothrooms, possible garag F7500. EMBASSY SERVICE 563 68 38

contact the TRIB's

EUROPE Amsterdam: Alfons Grim Tel.: 26 36 15. Athens: J.C. Rennesson Tel., 361 83 97/360 24 21. trussels: Arthur Maixnet Tel.: 343 18 99.

Tel.: 455 28 91 & 455 33 06. Rome: Antonio Sembratio Tel.: 679 34 37. flennas McKim White Tel.: 52 63 97.

REAL ESTATE TO RENT/SHARE U.S.A. NYC SOHO. Share in large furnished left Manhattan available for immediate occupancy \$400 / month. Also qualitable for 3 months, another share from July 1st to September 30th. Phone: NYC (212) 966 6288 or write Mr. Jl. de Luna; 177 Hudson Street, New York, NY 10013.

**EMPLOYMENT** EXECUTIVE CAREER CONSULTANTS

BNTERNATIONAL EXECUTIVES, English specising, F160,000 - F500,000 p.g.: If your professional profile qualities you as a PORCEOT WEEKS client we will guarantee you a better situation. For a first interview without obligation, telephone Paris 574 24 24 or 574 25 10; 50 rue St. Ferdinand, 75017 Paris.

THE CHASE

MANHATTAN

BANK N.A.

**BILINGUAL** 

**SECRETARY** 

Fluers English and speedy typing required.

Send CV to Recruiting Department 41 rue Combon, 75001 Pans

OR MORE EXECUTIVE POSITIONS LOOK UNDER "INTERNATIONAL EXECUTIVE OPPORTUNITIES" PAGE 20

man, G.I.A. graduate, seeks interest basistion. Tel: Birdham UK 572682.

VERSATILE EXECUTIVE
Senior Conciden associtive with extensive business experience seeks on oversecs chollenge. Multilangual & extremely
adoptable. Experience includes administration, marketing, inclustrial relations &
punchasing, Rease contact of P.O. See
11, T.M.R., Quebec, Concide 1439-388 or
by phone of 514-737-0538. AMERICAN EDP CONSISTANT with MBA and CPA degrees is interested in providing professional services. Con-tach R. Pietro, c/o Brostninson and Portners, Tolan, 39, CH-8001 Zurick, Talson 813/12 WBCO-CH. CUALIFIED CHAMOLOGIST, English

**EMPLOYMENT** 

POSITIONS AVAILABLE

FINANCIAL ADVISORS SALES MANAGERS

Write now with CV to: Box 15479, Heroid Tribune,

**EXECUTIVES AVAILABLE** 

r ogricultural research metates, glish madher tongue only. Prevent rience and good typing essi Write to, # 4981 HT. SLEUT 7 rue Lebel 9470 Vicence mades Wanted European professionals with existing clientels experienced in selling integlibles and/or monaging a small team to promote salepble American real estate programs. Reliable support offractive commenced in the comme MULTI-NATIONAL SECURITY prod nence a must. Excellent solary, draw or commission. Office located Paris, For immediate interview, call; (USA) 212-682-4637

EMPLOYMENT

GENERAL POSITIONS
AVAILABLE

Part-Time English-French

**TRANSLATOR** 

SEARCHERS NEEDED worldwide to 5 television. Write 5d Floherty, TRY US television. Write Ed Flohe 6 rue des 2 Ponts 75004 Pons.

ALISTRIAN LADY, 32, college/Liniversity education, office expensers, artificate, would like to arrange your passes - representation of your company. PR octoties, interior decoration, guest reception as well as arrylining within social welfers by read personal engagement. Passibility to live lyegresterd although Services offers to job where one can remain human and get invest substance for world benefit. Write c/o Herold Tribuna, CWG, Waltzelle 1d. 1010 Vienna.

ACCOMPLISHED WOMAN, 39, groducte 155, former lecturer & bus-ness woman, mohilingural, travelled, in-ercry stolle, typing, artistic, versotile & resourceful. Seets work of any dura-tion in only personal capacity in Landon, Biomou Bengame, London 01 888 2716. The 8813273 GCOMS G 2314. The 881327 IGCOMS G.
PREINCH WOMAN, 40, as car hastes,
fleent English & Sponish, Back Irom
USA, seeks job opportueity fires now
Paris, towism similar field, 1st 254 81
43. CHASSACNE, c/o Mme Dams, 9
After des Hs, Chales 77500 Fronce.
ADMINISTRATION:
ACCOUNTING,
long experience as blengud secretory
trottelors seeks terrocompositions.

**EMPLOYMENT** 

GENERAL POSITIONS WANTED

any challenging field. Call from 9 to 12 a.m. Ford 561 18 02. DOMESTIC POSITIONS AVAILABLE

DEPERSINCED INNOUSH MANNY 27 required now. 3 children, 9, 6 and 3, for ciploreactic family in Araman, Jordon, Full charge, some traveling, of lound 8 return or tacket, Minimum 1 year. Good solary for right lady. George Whate UK 020 622 2034 or write, 27 Church Rd, Britshed Market, Golchester, Essex CO7 7AT, UK.

SECRETARIES AVAILABLE

Overseas Secretorial

**Specialists** 

World-wide, we asset our clients in the selection of secretained staff. Our long established service and experience in interview hackmanus has served us an excellent reputation for shart listing cardiates whose independent soles and language oblifies have been thoroughly tested.

Please contact us for further information

ase contact us for further infor

SENIOR SECRETARIES
Recruitment Conseitants
173 New Bond St., London, W1
(London) 499 0092 or 493 5907

PAGE 23 FOR MORE CLASSIFIEDS

# International Secretarial Positions

SECRETARIAL POSITIONS AVAILABLE STE G.T.E. langer of International Compan larks promating leavy product requ Efficient French English mother langue B.P. 100 94210 La Varenne St Hillare RER Gare Champigny Requires SECRETARY Age ground 27. Call INTERGOLD Paris 561 99 50 est. 3469. Franch-English billingua

MINERVE SEBS for AMBRICAN FRMS in PARS. English, Belgion, Dutch or German secretaries, knowledge of French required, English shorthand. Elinguel telesists. Write or phone: 138 Avenue Vector Hugo, 75116 Paris, Franca. Tel: 727 61 69.

TEMPOREL (officient with ADIA temporary work) seeks for immediate operangs in American 8, in 1 componies in Parts, SEGURTARES, English mother longue, knowledge of French on asset. Apply:106 fer rue St. Lezane, Paris 8th or Tels 293 50 02.

V.P. FINANCE of international company seeks urgently first-class executive secretary. Bright mether tonguel, preferably English mether tonguel, Word processing experience on advantage, Send ov to 18ce 694, Honday Tribune, 92521 Newlly cadex France.

SECRETARIAL POSITIONS AVAILABLE READY TO WEAR CO., requires bilingual secretary, fluent French and English, good oppearance. 2 years minimal experience. Sand CV to. Clariside Sari, 112 flue Recumur, 75002 Foris
SKYPAK WORD COURSES seeks billingual secretary English / French, 5.
10 years experience, for European director. Solary negotable, car essential, Flosse telephone Paris 866 90 84 for details.

INT'L ACCOUNTING/TAX PIRM seeks young blingual secretary, Eng-lish mather tangue. CV to J. Frain, 18 Place Henri Bergson, 75008 Paris. REPRESENTATIVE OFFICE of a Coro-dian bank in Fans seeks one bringuel secretory, English shorthand required Phone 742 02 62.

RANDSTAD Singus personnel. Temporary work.
CAN HEP YOU. We're belier.
Parts [1] 341 06 00.

FLYING SECRETARIES - 2 arrockive German ladies (32/34), independent cultivated, are looking for a new challenging poulson. Excelent qualifications of references. Several years mitimational experience. Perfect English provided per French & Italian, Plante write the PHT. Bart 1759. Friedricht. 15, 6000 Frankfurt/M., W. Germany. PREFLANCE BRENGUAL SECRETARY English mother longue, fluore French will help you in emergenous. Starthard, typing, audio, helm, filing, fell-phoning & any old jobs. 990/hom (Own typewnter) Paris 227 04 05

(Geneva)

The World Intellectual Property Organization (a specialized agency of the United Nations) invites applications from

BILINGUAL

working knowledge of French, secretarial training including English shorthand and typing (minimum 90 and

50 w.p.m. respectively), French typing (50 w.p.m.) and, if possible. shorthand (75 w.p.m.). considerable secretarial experience including use of text processing equipment,

# Rueil Malmaison

Générale

Parfaitement bilingue anglais - français (sténo comprise). Rattachée au P.D.G. d'une holding ifiliale d'un-

Dépouillement du courrier Administration, classement . . « 3 heures » de frappe (anglais-français) et

 Sténo, réunions, réception, etc... Les données traitées sont d'ordre financier, juridique, marketing, stratégie du groupe . . .

Locaux modernes et agréables, équipe à teille humaine, vacances 1982 possibles, parking.



Soles infimedicially, no time wested. Offices moread by experienced staff with computer. Write oction plan and operate company fill you take aver with all equity and control. Startup Management Services, Inc. 303 E. Wedeer, Chicago II. 60601 Thr. 4990561 Tels (312) 861-1894 COMPUTER PORTRAITS. Printed on T-shirts, on oil-cosh business that can earn you \$6000 - \$8000 /month. Color, 8 & W. new & used systems for insmediate delivery. \$12,500 - \$29,000. Kena Grabht, Dept. J08, Postfoch 174982, 4000 Frontdurt, West Germany, Tel. 0611-747808. Th: 412713, I-cm-6 pm.

IF YOU ARE ENCOUNTERING prices too tough from Hong Kong, Tarwan, Japanese manufacturen, then you must give Koreen products a try. We represent South Korea's most leading manufacturers. Write or teless. Bolton Enterprises, 1208 Peninsula Centre, 7 Ching Yee Road, East Taim Sha Tais, Kowlcon, Hang Kong, Teles: 39917 PROF IN.

CONFECTIONERY MACHINERY. Chacolote covered manifemalions or moutage chocolate producing plants delivered & enacted worldwide. Camplete operational training program, Specify your requirements, Panarama, Karlstranaplan 2, S-214 36 Malmo, Sweden



BUSINESS OPPORTUNITIES

PARTNERS - INVESTORS

Due to our special studies of tourist development and Irands, we are asked by various project promoters to find partners and investors for Spain Imanity Conary Islands). France, Italy and Switzerland. Please contact.

Belezgo SA, Case Postale
CH 1010 Layranne, Switzerland.

BUSINESS SERVICES

WORKER PRODUCTIVITY: Top Con-sultant. Available worldwide. Soul Gellerman, Hohokus, N.J. 07423-0205 USA. Thu 135162. Tek 201-265-1514

U.S. TAX RETURNS, ROME - NICE prepared by tax lawyer. Tel: 6561856 Rome; 871274 Nice

DON'T VISIT PARIS ALONE. Toke bigh standard private guide with co-Call APOS: 541 01 89/539 55 75.

DIAMONDS

DIAMONDS

Your best buy.

Fine clamends in any price range of lowest wholesale prices direct from Antwerp center of the Germand world.

Full gustrantee.

For free price fist write ...

Joachim Goldenstells discussived 1978

Polikarestraet 62, 8-2000 Antwerp Belgium - Tale 03 174.007.51

Tits: 71779 syl b. At the Diamond Club.
Heart of the Antwerp Diamond industry.

OFFICE SERVICES

Your PERSONALIZED PARIS OFFICE Champs Byses Braile Bushness & leged address, molt, stex, pressuges & secretarial service

Also Acceptating, text & legal assistance. BORBOR, 21 rue Vernet, 75008 Paris. Tel: 723 80 46 Tb:: 630 602F

REAL ESTATE FOR SALE

Con buy APAKTMENTS freshold on LAKE GENEVA, in Montretox near Lausanne, or all year round reserves. Visions, Congue near Geneva, Visions, Verbier, Las Dachlerats, Leysin, etc. FRANCING 50-70%

ASO quality properties in France. Also quality visions of Geneva, and Juanious villas. VEEY NEAR THE BORDER OF GENEVA, built to your specifications. Advise area preferred. Write: Developer, c/o Globe Ros S.A. Mon-Rapos 24, 1005 Lessanne. Switzerland. 7et. (27) 22 25 12.

The 25185 MELIS CH.

ATTENTION BUSINESSMEN: Publish your business message in the International Herald Tribune, where more than a third of a million readers worldwide, most of whom are in business and industry, will read it. Just teles us (Paris 613595) before 10 a.m., ensuring that we can telex you back, and your message will appear within 48 hours. The rate is U.S. \$8.45 or local equivalent per line. You must include complete and verifiable billing address. OFFICE SERVICES Zurich is Best

> YOUR FURNISHED OFFICE **IN ZURICH** NEAR BANKING DISTRICT fully equipped executive offices for doily or monthly rentals Accommodation address facilities with morbox, phone and refex

> > in PARIS

Multilingual secretaries hourly.

Accommodation address facilities with mailtion, phone and teles."

Mail, messages, orders taken and forworded.

London Regent St.

Listury serviced offices
 Prestige mailing address
 24 hour telephone answering
 Telex, Secretarial, Frax, Xerox

CHESHAM EXECUTIVE CENTRE 150 Regent Street, Landon W1 Tel: 01 439 6288, Telex: 261426

Mail, messages, orders taken and forwarded worldwide. Tritingual secretories hourly. Your Office in Paris INTERNATIONAL OFFICE 42 Remweg, QH-9001 Zurich Tel: 01/211 29 15, Telex 812656 INQF YOUR OFFICE

IBOS 15 Ave Victor Hugo 75116 Paris Tel: 502 18 00, Th: 620873 F Fully equipped executive office for daily or monthly rentals. LONDON - MAYFAIR

> CHEAPEST RATES IN ZURICH for your mailton: / telephone and talex service. Contact Mr. Henry, Tel-07 / 363 38 46 OT / 363 38 46.
> EXECUTIVE SERVICES AMSTERDAM.
> Full office & business services. P.C.B.,
> 70382, 1007 KJ Amsterdam. Tet Holland 1009 259892. This 14273.
> YOUR OFFICE IN PARES: TELEX,
> ANSWERING SERVICE, secretary,
> erronds, mailbox, Eve 24H/day,
> Tal. PAT: 609 95 95.
> CONDOWN BUSINESS ANDERSES. LONDON BUSINESS ADDRESS/ PHONE/TELEX Execution, Suito 66, 87 Regent St., W1. Tol.: 439 7074,

ST CLASS APARTMENTS
FURNISHED & UNFURNISHED 1st CLASS

8 Ave. de Messine, 75008 Paris Agent in Paris 562 78 99

4 ROOMS

NOTRE DAME ON SEINE 4/5 rooms, duples. Character, fired EMBASSY SERVICE: 563 68 38

> EXECUTIVE SECRETARY (English mather tangue)

ME ST LOUIS. Begant 100 sq.m. F7000. McCren 723 55 18.

For advertising informatio office in your country. HEAD OFFICE Paris: Max Ferrero Tel.: 747.12.65.

Frankfurt: H. Jung or S. Konrad Tel.; 72 67 55. Listen: Rita Ambar Tel.: 67 27 93 & 66 25 44.

OTHERS Hong Kong: C. Cheney Tel.: 5 - 420 906. New York: Sandy O'Hard Tel., 752 38 90.

EXPERIENCED English language audio-typist needed full time by translator. Tel: 775 20 58 Paris. WIPO

EXPERIENCED **SECRETARIES** 

Detailed curriculum vitae with recent photograph should be addressed to: Personnel Section, WIPO 34. Chemin des Colombettes. Geneva, Switzerland, by June 23, 1982.

YEST URGENT, International organiza-tion seeks dictophone types, English mother tongue, French not reseasory. Working permit vital, 9 months con-tract. Pieces vital or phones Leblance, 7 rue Coder, 75009 Paris Tel. 246 82 28

SECRETARIES AVAILABLE PRENCH LADY, 31, Suent English & Spanish, 9 years supersence, seeks 20-ation in Para or assistant or evecutive secretary. Box 675, Herold Tribune, 92521 Neally Cedex, France.

BRUNGUAL ENGLISH-FRENCH receptions? I typist, supersence, seeks interesting job. Para 899 10 43.

Secrétaire de Direction

groupe canadien), elle apporte une COLLABORATION VIVANTE ET EFFICACE

d'organisation personnelle.

« 2 heures » de téléphones divers

Des connaissances juridiques seraient utiles pour la préparation des assemblées générales des filiales trançaises et étrangères.

Adresser CV. sous réf. 557/HT à C. DURAND DELTA CONSEIL, 27, rue Dambesle 7516 Paris. U